

**SCRep. 1 Health on H.B. No. 28**

The purpose of this bill is to prevent commercial exploitation of human body remains by prohibiting the sale of dead human bodies unless it is for the purpose of legitimate medical education and research by a university, hospital, or qualified institution.

Several concerned individuals supported this bill. A concerned individual provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 28 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 2 Health on H.B. No. 29**

The purpose of this bill is to ensure the ethical treatment of human body remains by requiring a permit from the Department of Health (DOH) to commercially display dead human bodies.

Several concerned individuals supported this bill. DOH submitted comments.

Your Committee agrees that safeguards should be instituted to prevent the misuse of human body remains. However, your committee recognizes DOH's concerns that the establishment of a permitting process to regulate exhibitions containing human body remains may be better placed within an agency such as the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 29 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 3 Health on H.B. No. 36**

The purpose of this bill is to clarify the nexus between the benefits sought and charges made on the users and beneficiaries of the Environmental Health Education Fund (Fund) by:

- (1) Changing the name of the Fund to the Sanitation and Environmental Health Special Fund (Special Fund); and
- (2) Allowing the use of the Special Fund for sanitation program activities.

A concerned individual supported this bill. The Department of Health submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

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

**SCRep. 4 Public Safety on H.B. No. 358**

The purpose of this bill is to enable certain drug addicted offenders to obtain much needed drug treatment services by authorizing the placement of certain offenders in secure drug treatment facilities.

Several concerned individuals submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 358 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 5 Higher Education on H.B. No. 124**

The purpose of this bill is to address the shortage of health professionals in underserved rural communities throughout the state by appropriating funds for the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program (Program).

The Program and several concerned individuals testified in support of this bill. The University of Hawaii at Manoa offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 124, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Berg, Hanohano, Rhoads, Saiki, Takumi and Finnegan.

#### **SCRep. 6 Finance on H.B. No. 302**

The purpose of this bill is to appropriate funding for the legislative branch of state government.

The House of Representatives, Senate, Auditor, Hawaii State Ethics Commission, Legislative Reference Bureau, Ombudsman, and a concerned individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Reducing the appropriation for the Senate from \$7,694,360 to \$7,125,681;
- (2) Reducing the appropriation for the House of Representatives from \$11,670,163 to \$10,503,163;
- (3) Reducing the appropriation to defray the expenses of the Office of the Auditor from \$2,910,685 to \$2,619,685 for fiscal year (FY) 2009-2010;
- (4) Increasing the appropriation for the Audit Revolving Fund from \$2,429,360 to \$2,550,828 for FY 2009-2010;
- (5) Increasing the Audit Revolving Fund ceiling for FY 2008-2009 and FY 2009-2010 from \$5,600,438 to \$6,300,000; and
- (6) Reducing the appropriation for the Legislative Reference Bureau from \$3,449,623 to \$3,113,126 for FY 2009-2010.

The Office of the Auditor testified that the requested increase in the Audit Revolving Fund ceiling in FY 2008-2009 is necessary "to accommodate the delays in contract execution...for a few FY 2007-2008 financial statement audits. The delays were caused by various glitches in the executive branch agencies, such as non-closure of the prior years' books." Similarly, the same increase for FY 2009-2010 is necessary in case similar problems are encountered this year.

Your Committee notes that the total 2009-2010 budget for the legislative branch as provided in this bill, as amended, will be reduced by 6.9 percent. This compares well with the budget proposal submitted by the Governor in the appendix to the Governor's message to the Legislature in "The Multi-Year Program and Financial Plan and Executive Budget For the Period 2009-2015 (Budget Period 2009-11)" which recommends a "...reduction of \$209.3 million (-3.8%) in FY 2009-2010 and \$186.1 million (-3.3%) in FY 2010-2011."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 302, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

#### **SCRep. 7 Higher Education on H.B. No. 123**

The purpose of this bill is to address the capital facility needs of the University of Hawaii (UH) through the construction of new projects and the renovation and major repair of existing facilities by:

- (1) Extending the lapse date of the appropriation of \$100,000,000 in revenue bond proceeds authorized by Act 161, Session Laws of Hawaii 2007, to June 30, 2013; and
- (2) Authorizing the UH Board of Regents to issue an additional \$150,000,000 in revenue bonds, and appropriating the same amount in revenue bond proceeds to lapse on June 30, 2015, for the same purpose.

UH testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to June 30, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hanohano, Rhoads, Saiki, Takumi and Finnegan.

#### **SCRep. 8 Consumer Protection & Commerce on H.B. No. 618**

The purpose of this measure is to enact the Uniform Prudent Management of Institutional Funds Act.

The spending of endowment funds in Hawaii is currently governed by the Uniform Management of Institutional Funds Act. Under the Act, charitable organizations are restricted from expending endowment funds below the original value of the endowment, or the endowment's "historic dollar value." However, under current economic conditions, many endowments are already below their historic dollar value, leaving charitable organizations unable to fund their various programs.

The Uniform Prudent Management of Institutional Funds Act is intended to update and replace the Uniform Management of Institutional Funds Act, conforming the law governing the spending of endowment funds with modern investment and expenditure practice. Under the Uniform Prudent Management of Institutional Funds Act, the governance of endowment fund expenditure is based upon the value of the fund's entire portfolio, rather than its historic dollar value. This provides charitable organizations the flexibility to cope more easily with fluctuations in the value of the endowment.

The Uniform Prudent Management of Institutional Funds Act also streamlines the process by which a charitable organization may release restrictions on the expenditure of an endowment. Under the Act, charitable organizations can release a restriction on a fund valued below \$250,000 with the Attorney General's approval.

The Department of the Attorney General, the University of Hawaii Foundation, and the Commission to Promote Uniform Legislation testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 618 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 9 Economic Revitalization, Business, & Military Affairs on H.B. No. 194**

The purpose of this bill is to clarify that the tax exemption provided for in the professional employment organizations (PEOs) law only applies to general excise taxes on payroll services provided to client companies.

Testimony in support of this bill was submitted by the National Association of Professional Employer Organizations and ALTRES, Inc. The Department of Labor and Industrial Relations supported this bill and suggested amendments. The Department of Taxation had no comments on this measure.

Your Committee finds that the provisions currently exempting PEOs from the general excise tax are confusing and unclear. Accordingly, your Committee has amended this bill to make the exemption language even more precise.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 194, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 10 Economic Revitalization, Business, & Military Affairs on H.B. No. 656**

The purpose of this bill is to give liquor licensees who are delinquent in paying their taxes, a window of opportunity to renew their licenses, ending July 1, 2012, if they have entered into an approved installment plan with the state or federal tax departments, and are current in payments and not in default.

The Department of Taxation and Honolulu Liquor Commission commented.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 656, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 11 Economic Revitalization, Business, & Military Affairs on H.B. No. 452**

The purpose of this bill is to assist the children of Hawaii veterans who were injured, disabled, declared a prisoner of war or missing in action, or killed while serving their country, by granting these children up to eight semesters of tuition waivers at the University of Hawaii.

The University of Hawaii opposed this bill.

Your Committee finds that the University of Hawaii in 2006 created a comprehensive financial assistance program for needy students. The new program eliminated much of the existing tuition waiver program, which created entitlements regardless of need, and did not allow campuses to accurately assess their revenues or budgets.

Upon consideration, your Committee has amended this bill to require an applicant for a tuition waiver to demonstrate financial need. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 452, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 12 Economic Revitalization, Business, & Military Affairs on H.B. No. 457**

The purpose of this bill is to assist students from military families transition from out-of-state schools to schools in Hawaii, by appropriating general revenues and federal impact aid funds to expand transition programs similar to the Radford High School transition program, to military-impacted schools in Hawaii, and hire necessary personnel.

The Chamber of Commerce of Hawaii supported this bill.

The top quality of life concern of military families moving to Hawaii is school quality. The highly successful Radford High School student transition program addresses this concern, and was the result of efforts steered by the Joint Venture Education Forum (JVEF), a chartered partnership between the state Department of Education and Hawaii's military commands and families. The transition program was established with an annual appropriation of congressional defense funding tied to the JVEF, which funds may not be used to pay for salaries and wages.

To encourage further discussion of this measure, your Committee has changed its effective date to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 457, H.D. 1, and be referred to the Committee on Education.

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

#### **SCRep. 13 Consumer Protection & Commerce on H.B. No. 264**

The purpose of this bill is to eliminate disincentives for obtaining uninsured motorist coverage, by limiting eligibility for the Joint Underwriting Plan Assigned Claims Program (Program) to those who do not have any motor vehicle insurance.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies testified in support of this bill. The Hawaii Association for Justice opposed this measure.

The Program provides minimum insurance benefits to those who sustain harm in a motor vehicle accident and lack other available means of recovery. However, current law allows persons who are able to obtain uninsured motorist coverage to instead claim these benefits through the Program. This bill attempts to address this issue by restricting Program eligibility to those who do not have any motor vehicle insurance at all.

Your Committee notes, however, the counter-arguments pointing out the adverse effects this bill may have on those with any type of insurance applicable to the harm or who do not have access to uninsured motorist coverage, and is moving this measure along for further consideration of these issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 264 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

#### **SCRep. 14 Human Services on H.B. No. 1519**

The purpose of this bill is to allow each county's Liquor Commission to undertake and fund substance abuse treatment and prevention programs.

The Maui County Democratic party and several concerned individuals submitted testimony in support of this measure. A concerned individual submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1519 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

#### **SCRep. 15 Human Services on H.B. No. 1497**

The purpose of this bill is to provide housing protections for victims of domestic violence by:

- (1) Prohibiting landlords from refusing to rent to, or evicting a tenant solely based upon the person's status as a victim of domestic violence; and
- (2) Allowing a victim of domestic violence to terminate a rental agreement without penalty, subject to certain provisions.

The Legal Aid Society of Hawaii and several concerned individuals testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. The Hawaii Association of Realtors and the Hawaii Immigrant Justice Center submitted comments.

Should the Committee on Consumer Protection and Commerce decide to take up this measure, your Committee recommends that the Department of the Prosecuting Attorney of the City and County of Honolulu work with the Hawaii Association of Realtors to draft language for a proposed H.D. 1, addressing concerns of specificity and applicability.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1497 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 16 Human Services on H.B. No. 815**

The purpose of this bill is to fund domestic violence prevention programs by authorizing counties to impose fees on those convicted of domestic violence.

Several concerned individuals testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu (DPA) supported the intent of this measure.

The DPA noted that the legal and technical mechanics affected by this measure are complicated and will likely require a significant amount of study, negotiation, and planning to generate any meaningful revenue.

Should the Committee on Judiciary hear this measure, your Committee respectfully recommends that it work with DPA to prepare an H.D. 1 that includes a task force, to serve without compensation, to investigate the complex factors involved.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 815 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 17 Human Services on H.B. No. 819**

The purpose of this bill is to require the Family Court to waive jurisdiction and order a minor, who is at least 15 years of age and charged with murder in the first and second degree, be held for criminal proceedings.

The Honolulu Police Department and several concerned individuals provided testimony in support of this measure. The Office of the Public Defender, the American Civil Liberties Union, and a concerned individual provided testimony opposing this measure. The Judiciary provided comments.

Concerns were raised by the Public Defender's Office that juveniles in this age category are developmentally different than adults and that a balance must be maintained when adjudicating juvenile cases. They also noted that rather than making a waiver mandatory in these cases, a time limit may be imposed on the waiver investigation and hearing process in the family courts. In addition, your Committee notes that should the Committee on Judiciary choose to hear this bill, additional statistical information from the family court on the waiver process would aid legislators in the decision-making process.

Accordingly, your Committee has amended this bill by changing its effective date to January 1, 2050, to facilitate further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 819, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 18 Education on H.B. No. 176**

The purpose of this bill is to enhance the safety of children on school buses by:

- (1) Requiring all school buses imported into the state after June 30, 2010, to be equipped with seat belt assemblies at all designated seating positions;
- (2) Requiring the Department of Transportation to adopt rules to require students to use seat belt assemblies on school buses; and
- (3) Requiring bus contractors to equip every existing school bus with lap and shoulder seat belt assemblies at all designated seating positions by July 1, 2020.

The Department of Education testified in support of this bill. The Hawaii School Bus Association opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 176 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

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

**SCRep. 19 Education on H.B. No. 87**

The purpose of this bill is to ensure that a free and appropriate public education (FAPE) is provided to students eligible for special education who are placed in private schools at public expense, by:

- (1) Authorizing and obligating the Department of Education (DOE) to oversee and monitor those students; and
- (2) Authorizing DOE to withhold tuition payment for failure of the private school or parent to afford reasonable access to individuals and to the records necessary to provide FAPE.

DOE testified in support of this bill. The Hawaii Special Education Advisory Council offered comments.

Your Committee has amended this bill by:

- (1) Deleting language relating to the withholding of tuition payment for failure of the private school or parent to provide access to individuals and records;

- (2) Inserting a provision that if the private school or facility does not allow DOE routine and timely access to monitor the delivery of special education and related services, the placement of the student in the private school or facility is to be deemed an inappropriate placement for the student and is not to be considered the last agreed-upon placement;
- (3) Requiring the individualized education program team to reconvene to determine a new placement for the student;
- (4) Replacing all references to "private school" with "private school or facility"; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 87, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 87, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 20                    Transportation on H.B. No. 617**

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

- (1) Examine the feasibility of establishing economic zones proximate to the route or routes of any future mass transit system on the island of Oahu, particularly in areas surrounding transit stops that are economically depressed;
- (2) Recommend parameters for the creation of mass transit route economic zones including, among other things, geographic criteria, business eligibility, and benefits and incentives such as tax credits;
- (3) Examine:
  - (A) The need for the exercise of eminent domain;
  - (B) Potential jurisdictional conflicts between the State and the City and County of Honolulu; and
  - (C) The costs of implementing mass transit route economic zones; and
- (6) [sic] Submit a report of its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2010.

The Hawaii Association of REALTORS and Housing Hawaii testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Transportation, Hawaii Housing Finance and Development Corporation, and Department of Planning and Permitting of the City and County of Honolulu submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 617 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee.

**SCRep. 21                    Transportation on H.B. No. 829**

The purpose of this bill is to assist Hawaii residents who are veterans of the armed services and who have a service-connected disability by exempting these veterans from motor vehicle taxes and fees for noncommercial motor vehicles.

The Office of Veterans Services supported the intent of this bill. The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii commented on this bill.

Many residents of Hawaii have served their country in the armed services, and many of these individuals have been injured in combat, with some suffering permanent disabilities. Exempting the vehicles of these individuals from taxes and fees is a small price to pay for the sacrifices they have made.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 829 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee.

**SCRep. 22                    Transportation on H.B. No. 800**

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

- (1) Requiring all school buses, whether purchased or contracted for use by the State, to be equipped with seat belt assemblies for all passenger seats after July 1, 2010;

- (2) Requiring student passengers on a school bus to wear properly adjusted and fastened seat belt assemblies; and
- (3) Establishing penalties for violations of the seat belt requirement.

The Honolulu Police Department testified in support of this bill. The Hawaii Transportation Association and a concerned individual testified in opposition to this measure. The Department of Education (DOE) did not support this bill.

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

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

However, your Committee understands the concerns raised by DOE regarding cost and implementation of the requirements of this measure in the time frame afforded by this bill. Accordingly, your Committee has amended this measure to provide greater flexibility in addressing the need for seat belts on school buses by deleting its contents and replacing it with the language contained in H.B. No. 176, which requires:

- (1) All school buses imported into the state after June 30, 2010, to be fitted with a lap and shoulder seat belt assembly at all designated seating positions;
- (2) DOE to adopt rules requiring the use of seat belt assemblies on school buses; and
- (3) Bus contractors to equip every existing school bus with a lap and shoulder seat belt assembly by July 1, 2020.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 800, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

#### **SCRep. 23 Water, Land, & Ocean Resources on H.B. No. 679**

The purpose of this bill is to eliminate the five percent reduction from the State Parks Special Fund to increase the amount of funds available for construction, repairs, replacement, additions, and extensions of state park facilities.

The Hawaii Tourism Authority and a concerned individual supported this bill. The Department of Budget and Finance opposed this measure. The Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by inserting the provisions of House Bill No. 680, in an attempt to consolidate two measures that seek to make changes to the State Parks Special Fund to make it more effective in providing funding for the beautification, repair, and maintenance of Hawaii's state parks. Specifically, this bill has been amended by including as an authorized expenditure from the State Parks Special Fund, payment of the debt service on revenue bonds that are issued for the construction, repairs, replacement, additions, and extensions of state park facilities.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 679, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

#### **SCRep. 24 Higher Education on H.B. No. 1369**

The purpose of this bill is to address the shortage of physicians in rural areas by encouraging University of Hawaii medical school graduates to practice for a minimum of six years in counties with populations of less than 500,000, through the establishment of and appropriation of funds for an education loan program and housing stipend program.

The League of Women Voters of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1369 and recommends that it pass Second Reading and be referred to the Committee on Health.

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

#### **SCRep. 25 Human Services on H.B. No. 50**

The purpose of this bill is to require a minor adjudicated of actions that would constitute promoting a controlled substance to choose either detention in a youth correctional facility or enrollment in a substance abuse counseling program.

A concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Nishimoto and Shimabukuro.  
(Representative Bertram voted no.)

**SCRep. 26 Human Services on H.B. No. 297**

The purpose of this bill is to adopt the new Interstate Compact for Juveniles replacing the current Interstate compact on Juveniles and establish the family court's jurisdiction under the Compact.

The Judiciary and the Department of Human Services Office of Youth Services testified in strong support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 27 Human Services on H.B. No. 1025**

The purpose of this bill is to restore a statutory provision allowing the court to order presentence mental or other medical observation and examination for sentencing purposes.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 28 Human Services on H.B. No. 728**

The purpose of this bill is to require the Judiciary to establish a three-year pilot project to examine the use of electronic filing for requests for and issuance of domestic abuse temporary restraining orders on nights and weekends.

A concerned individual testified in support of this bill. The Judiciary, the Hawaii State Coalition Against Domestic Violence, and the Domestic Violence Action Center provided comments.

Your Committee has amended this bill by:

- (1) Replacing the three-year pilot project with a temporary task force to examine the use of electronically filed temporary restraining orders;
- (2) Establishing the membership of the task force;
- (3) Stating that the task force shall serve without compensation;
- (4) Removing the requirement of interim reports;
- (5) Removing the appropriation; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 29 Human Services on H.B. No. 872**

The purpose of this bill is to require the Department of Human Services (DHS) to establish a pilot project to assist undocumented immigrants who are victims of domestic violence or sexual assault.

Several concerned individuals testified in support of this bill. The Hawaii Immigrant Justice Center provided comments.

In the past year, many domestic violence service providers have seen an increase in the number of immigrants, both documented and undocumented, seeking services. There are several issues complicating the ability of these service providers to assist those seeking help, including language barriers, cultural norms, and legal issues.

Your Committee finds that this measure will serve as a means of mitigating current complications in service delivery to undocumented immigrants. In addition, the Office of Community Services also expressed a willingness to support undocumented immigrants who are victims of domestic violence or sexual assault.

Your Committee has amended this bill by:



- (1) Allowing, rather than requiring, DHS to establish the pilot project; and
- (2) Removing references to contracts with nonprofit organizations; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 872, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 30 Human Services on H.B. No. 885**

The purpose of this bill is to propose an amendment to Article VII, section 6, of the Hawaii Constitution to use an unspecified percentage of the general fund balance excess to fund the Child Development Account Program.

The Department of Budget and Finance testified in opposition to this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 885, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 31 Human Services on H.B. No. 1087**

The purpose of this bill is to transfer the Office of Community Services from the Department of Labor and Industrial Relations to the Department of Human Services.

The Governor's Administration, Office of Community Services, Department of Labor and Industrial Relations, Hawaii County Economic Opportunity Council, and Maui Economic Opportunity, Inc., testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1087 and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 32 Human Services on H.B. No. 1355**

The purpose of this bill is to establish a preference for bidders to government contracts who pledge to hire individuals with disabilities and certain recipients under the Temporary Assistance to Needy Families Program.

The Hawaii Disability Rights Center and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1355 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 33 Human Services on H.B. No. 726**

The purpose of this bill is to:

- (1) Establish a task force to examine situations resulting in a child fatality or a serious injury due to drug use by a parent, guardian, or caregiver, and develop a plan to prevent such situations from occurring; and
- (2) Establish a system for the Department of Human Services (DHS) to allow children to continue to reside in pre-existing caregivers' safe homes rather than enter into foster care, subject to certain conditions.

The Department of Human Services testified in opposition to this bill. The Judiciary provided comments.

Your Committee notes that the Judiciary raised the following specific concerns:

- (1) Notice to DHS when a caregiver intends to return the child should be mandatory;
- (2) If a caregiver's home is not in total accordance with relevant foster care licensing standards, the relevant factors should be documented;

- (3) If a caregiver and the child are entitled to the same benefits and services available to a foster parent, the reason for not providing such benefits should be documented; and
- (4) Special and general powers of attorney should be in place so that the caregiver will be able to provide consents on behalf of the child to ensure that the child receives educational, medical, and other services. If the child's legal custodian cannot be located, DHS must determine how these consents will be provided.

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

- (1) Making the task force provision discretionary; and
- (2) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 726, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 34            Agriculture on H.B. No. 242**

The purpose of this bill is to support value-added operations in Hawaii by appropriating funds, matched dollar-for-dollar by private sector funding, for the planning, repair, and modification of agricultural facilities at the former Del Monte operation on Oahu and at Maui Community College.

The Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and ILWU Local 142 supported this bill. The University of Hawaii and a concerned individual supported the intent of this bill. The Department of Agriculture submitted comments.

Recognizing that value-added agricultural operations are already taking place at Maui Community College, it is not the intent of your Committee to interfere with the existing operations.

In addition, while your Committee is in support of measures like this bill that support specific areas of the state, your Committee recognizes the importance of looking at agriculture in Hawaii from a broader perspective. Noting the interdependence of the different areas within agriculture, a holistic approach to dealing with agricultural challenges may serve as an effective way to overcome these challenges.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 242 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives McKelvey, Takai and Wakai.

**SCRep. 35            Agriculture on H.B. No. 663**

The purpose of this bill is to address the problem of costly livestock feed imported from the mainland and ensure the long-term viability of Hawaii's livestock industry by directing the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR) to determine the feasibility of developing an animal feed industry within the state.

The Hawaii Cattlemen's Council and Maui Cattlemen's Association supported this bill. The Hawaii Farm Bureau Federation and Big Island Farm Bureau supported this measure with amendments. The Department of Agriculture and UH supported the intent of this bill. Animal Rights Hawaii opposed this measure.

Your Committee encourages UH-CTAHR to consider a realistic timetable and goals for the development of a livestock feed industry in Hawaii, if determined to be feasible under this study.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 663 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives McKelvey, Takai and Wakai.

**SCRep. 36            Labor & Public Employment on H.B. No. 111**

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

The Hawaii Government Employees Association, Hawaii State Teachers Association, and a concerned individual testified in support of this bill. The Department of Accounting and General Services submitted comments on this bill.

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

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 37 Labor & Public Employment on H.B. No. 332**

The purpose of this bill is to reduce the economic effects of domestic or sexual violence to employers and employees by providing unemployment insurance benefits to individuals who are separated from their employment as a result of domestic or sexual violence.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, and Domestic Violence Action Center testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) supported the intent of this measure.

Victims of domestic violence are often at greater risk of losing their employment. Oftentimes, domestic abusers, as a means of maintaining control over their victim, target their victim's places of employment and their ability to remain financially self-sufficient. By allowing victims of domestic or sexual violence to be eligible for unemployment benefits if they are forced to leave their jobs due to the effects of their victimization, they will retain the means to be financially secure. Your Committee finds that this will strengthen the safety and security of victims of domestic or sexual violence.

While your Committee understands the concerns raised by DLIR regarding possible conflicts with federal law and the noncharging of benefits paid in discharge of individuals who are victims of domestic or sexual violence, the importance of this matter warrants further discussion. Your Committee notes the willingness of DLIR to work with the Committee in addressing these concerns as the bill moves forward in the legislative process.

Your Committee has amended this bill by:

- (1) Providing a 30-day grace period from the date of the individual's loss of employment before an individual must actively seek employment; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 332, H.D. 1, and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representative Souki.

**SCRep. 38 Labor & Public Employment on H.B. No. 982**

The purpose of this bill is to gather information about and to assist employees who provide family caregiving services by, among other things:

- (1) Widening the scope of applicability of Hawaii's Family Leave Law from employers employing 100 or more employees to employers employing 50 or more employees; and
- (2) Creating a family leave data collection system that is capable of analyzing and reporting family caregiving data for both public and private employees.

The Hawaii Teamsters and Allied Workers, Local 996, ILWU Local 142, Policy Advisory Board for Elder Affairs, and two concerned individuals testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. The Department of Labor and Industrial Relations and The Chamber of Commerce of Hawaii did not support this bill.

With Hawaii's aging population, more and more adults need some kind of help in caring for themselves. Oftentimes, this caregiving need is met by younger family members who are currently employed and necessitates the use of family leave for these caregiving purposes. Increasing the availability of family leave to employees who work for companies with 50 or more employees will go a long way toward assisting family caregivers.

Your Committee finds that the Legislature noted the difficult situation family caregivers faced when it enacted Act 243, Session Laws of Hawaii 2008 (Act 243). Act 243 established a family leave working group to explore the provision of wage replacement benefits to employees who needed to take time off from work to care for a family member with a serious health condition. Although the working group met a number of times to discuss this issue, they were unable to reach a consensus as to what to do about this problem, due in part to a lack of data with which to develop estimates of the number of participants in a paid leave program and the potential costs of such a program. The data-collection system proposed in this measure should provide needed information for policymakers to make an informed decision on this subject.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 982, H.D. 1, and be referred to the Committees on Higher Education and Legislative Management.

Signed by all members of the Committee.

**SCRep. 39 Labor & Public Employment on H.B. No. 396**

The purpose of this bill is to protect employees by:

- (1) Requiring successor employers to retain incumbent employees upon the divestiture of a business; and
- (2) Assessing penalties for noncompliance with worker retention requirements.

The ILWU Local 142; Hawaii State Teachers Association; Hawaii Government Employees Association; Hawaii Teamsters and Allied Workers, Local 996; Chair of the Democratic Party of Hawaii; Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council, AFL-CIO; International Union of Painters and Allied Trades, District Council 50; and Laborers' Union testified in support of this bill. The Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, The National Federation of Independent Businesses in Hawaii, The Hawaii Restaurant Association, Retail Merchants of Hawaii, and The Maui Chamber of Commerce testified in opposition to this measure.

Many employees fear losing their jobs because of business takeovers. A mass layoff caused by a divestiture poses problems, not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. At the same time, your Committee understands the concern that this measure may also cause undue hardship for employers, particularly small businesses.

Accordingly, your Committee has amended this bill by restricting its divestiture requirements to businesses with 100 employees or more.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 396, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representative Souki.

**SCRep. 40 Labor & Public Employment on H.B. No. 479**

The purpose of this bill is to determine the effectiveness of the expansion of the 60-day notification requirements of a closure or partial closure of businesses that were intended to strengthen protections for Hawaii's dislocated workers.

The Department of Labor and Industrial Relations (DLIR) and Retail Merchants of Hawaii testified in support of this bill. ILWU Local 142 testified in opposition to this measure.

Hawaii's Dislocated Workers Law protects employees who face termination from employment due to a sudden closure or partial closure of a business as a result of a sale, transfer, merger, or transaction of business interests by requiring the employer to provide 60-day notification of the closure or partial closure to employees and the Director of Labor and Industrial Relations. However, certain forms of business transactions, such as bankruptcies and divestitures, were not covered under this law. This required the enactment of Act 5, First Special Session Laws of Hawaii 2007 (Act 5), which in essence expanded the 60-day notification requirement to include additional forms of business transactions.

While Act 5 was intended to help ameliorate the effects bankruptcies and divestitures would have on the lives of affected employees, your Committee notes that concerns were raised at the time of enactment that Act 5 could have an adverse effect on businesses, thereby inadvertently having a greater impact on employees. This measure will allow the Legislature to better understand the impact of Act 5 on both employees and employers.

Your Committee has amended this measure by:

- (1) Requiring that DLIR include recommendations to any problems it finds with Act 5, including any proposed legislation, in its report to the Legislature; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 479, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representative Souki.

**SCRep. 41 Human Services on H.B. No. 744**

The purpose of this bill is to effectuate its title.

H.B. No. 744 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out H.B. No. 744, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 744, H.D. 1.

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

**SCRep. 42 Housing on H.B. No. 1187**

The purpose of this bill is to reunite with their families homeless persons who are stranded in Hawaii but lack independent financial resources to return home by establishing a Return-to-Home Program, which would provide the eligible homeless with assistance in being reunited with their families in the person's home state.

The Waikiki Health Center, Waikiki Improvement Association, Visitor Aloha Society of Hawaii, and a concerned individual supported this bill. The Hawaii Public Housing Authority and a concerned individual supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1187 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 43 Housing on H.B. No. 1692**

The purpose of this bill is to break the vicious cycle of poverty and increase the supply of low-income housing by restricting state and federal public housing tenancy, except in certain cases for medical reasons, to no more than five years.

Several concerned individuals supported this bill. The Hawaii Public Housing Authority supported the intent of this measure. The Community Alliance Partners, Catholic Charities Hawaii, Legal Aid Society of Hawaii, and American Civil Liberties Union of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Removing federal public housing projects from the application of this bill, pursuant to United States Department of Housing & Urban Development regulations that do not allow a limitation on the number of years that a tenant in good standing may stay in federal public housing; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1692, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 44            Housing on H.B. No. 357**

The purpose of this bill is to knock down government barriers to building more affordable housing by clarifying the authority of counties and state planning agencies to hire third parties to handle permits and review approvals and to limit the liability of these third-party reviewers.

The Office of Hawaiian Affairs, Housing Hawaii, EAH Housing, the Hawaii Developers' Council, The Chamber of Commerce of Hawaii, Kamehameha Schools, and the Land Use Research Foundation of Hawaii supported this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Affordable Housing Regulatory Barriers Task Force supported this bill with amendments. The Department of Planning and Permitting of the City and County of Honolulu and the American Civil Liberties Union of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Removing the provision allowing the State or a county to contract with third-party reviewers only when there is a need for services to review affordable housing development project and permit applications and the estimated time necessary with current staff to complete the reviews is longer than 45 days from the time the project or permit application was submitted to the State or a county;
- (2) Including gross negligence as one of the instances where third-party reviewers are not immune from liability when providing services to the State or a county;
- (3) Deleting language limiting the application of this bill only to instances where reviews are not currently conducted by civil service employees, to allow situations where reviews are conducted by both civil service employees and third-party reviewers; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 357, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 45            Transportation on H.B. No. 77**

The purpose of this bill is to encourage the development of affordable housing, elder care services, and services for Hawaii's disadvantaged by exempting these projects from the general excise tax (GET) when they are established within a mixed-use transit-oriented joint development project.

The Hawaii Association of REALTORS testified in support of this bill. The Department of Taxation, Hawaii Housing Finance and Development Corporation, Department of Health, and Housing Hawaii testified in opposition to this measure. The Department of Planning and Permitting of the City and County of Honolulu submitted comments.

The City and County of Honolulu is currently developing a mass transit system that is expected to have an impact upon the communities it will serve and the areas through which it will pass. Your Committee finds that as mass transit is developed, an excellent opportunity will be presented to develop much needed services such as community health care centers and elderly care services, as well as affordable housing. Providing a GET exemption for development of these kinds of services and facilities within mixed-use transit-oriented development projects will encourage their development.

While your Committee understands the concerns raised by various agencies that this may be a premature step as the planning details of the mass transit project have yet to be finalized, the impacts this measure may have deserve further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 77 and recommends that it pass Second Reading and be referred to the Committees on Housing and Health.

Signed by all members of the Committee.

**SCRep. 46            Transportation on H.B. No. 981**

The purpose of this bill is to continue to promote highway safety by statutorily establishing several recommendations of the Ignition Interlock Implementation Task Force established by Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Requires ignition interlock systems to be installed on the vehicles of all offenders of Hawaii's driving under the influence laws;
- (2) Establishes a "hybrid" system of administrative oversight of the ignition interlock program, including an administrative system operated by the Administrative Drivers' License Revocation Office and a judicial system operated through the state district courts;
- (3) Establishes the maximum jail terms for first, second, and third offenses of operating a vehicle under the influence of an intoxicant at 30 days;
- (4) Establishes various time periods for the installation of ignition interlock devices;
- (5) Requires periodic and random testing via the ignition interlock device after the vehicle has initially been allowed to be operated;
- (6) Changes the sentencing from lifetime revocation to a revocation of 5 to 10 years for a person with four or more alcohol enforcement contacts;
- (7) Requires drivers who refuse to take a chemical test to determine blood alcohol content to install an ignition interlock device on their vehicles for a time period that is twice as long as that required for a driver who takes the chemical test and fails the test; and
- (8) Changes the "look back period", or history of a driver to determine whether a driver has had a prior law enforcement contact for an alcohol-related incident from 5 years to 10 years.

The Department of Transportation, Department of Health, Hawaii Ignition Interlock Implementation Task Force, and Mothers Against Drunk Driving HAWAII testified in support of this bill. The Office of the Public Defender and Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. The Department of the Attorney General and Judiciary submitted comments.

Hawaii has experienced an alarmingly high number of alcohol-related traffic fatalities over the past several years. While enforcement of existing laws governing the operation of a vehicle while under the influence of an intoxicant (OVUII) has had an impact on alcohol-related traffic fatalities, it appeared that more needed to be done to bring about substantial improvement.

In response to these alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 legislative session, calling for a working group to be formed to study the issue of ignition interlocks and make recommendations leading to legislation. In 2008, legislation was recommended that established an ignition interlock device program in Hawaii and was enacted as Act 171, Session Laws of Hawaii 2008 (Act 171). The program established under Act 171 would require the installation of 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, on vehicles of those convicted of OVUII under certain conditions.

While Act 171 served as a framework from which to build the ignition interlock program, the complex nature of establishing the ignition interlock program in Hawaii necessitated the establishment of the task force to address numerous issues before the actual implementation of the program. The initial recommendations of the Hawaii Ignition Interlock Implementation Task Force are contained in this measure.

Although your Committee understands that work still needs to be completed to address additional legal issues and concerns with this program, this legislation is an important step in addressing an important health and safety issue affecting all of the residents of Hawaii.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

#### **SCRep. 47            Transportation on H.B. No. 1037**

The purpose of this bill is to address the application of joint and several liabilities in tort claims relating to highway maintenance and design against governmental entities by:

- (1) Abolishing joint and several liability for government entities; and
- (2) Limiting liability to the percentage of the share of damages attributable to the governmental entity.

The Department of the Attorney General, Department of Transportation, Department of the Corporation Counsel of the City and County of Honolulu, Office of the Corporation Counsel of the County of Hawaii, and Department of the Corporation Council of the County of Maui testified in support of this bill. The Hawaii Association for Justice, American Council of Engineering Companies of Hawaii, American Public Works Association Hawaii Chapter, Hawaiian Electric Company, Hawaiian Electric Light Company, Maui Electric Company, Engineering Solutions, Inc., and Hawaii Telcom testified in opposition to this measure.

In 2006, the Hawaii Supreme Court ruled in *Kienker v. Bauer*, that the abolition of joint and several liabilities under section 663-10.5, Hawaii Revised Statutes, did not apply to highway design and maintenance claims. This decision was based upon the legislative intent to retain governmental joint and several liability for highway claims as expressed in both House and Senate Standing Committee Reports for Act 213, Session Laws of Hawaii 1994, because of the government's unique responsibility over highways and the important public policy of providing safe highways for our citizens.

While governmental entities do play a role in the design and maintenance of highways, your Committee finds that the numerous legal questions in cases involving joint and several liability are beyond the purview of the Committee on Transportation and can be addressed more appropriately by the Committee on Judiciary. Your Committee also respectfully requests that the Committee on Judiciary examine the legal ramifications of extending the protection against joint and several liability afforded to government entities in this measure to other entities, such as utility companies and professional highway design consultants contracted by a governmental entity, that have a role in the maintenance or design of highways.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1037 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 48            Transportation on H.B. No. 145**

The purpose of this bill is to protect the public's health, safety, and welfare by promoting traffic safety. Among other things, this bill establishes a photo red light imaging detector system program to improve enforcement of traffic-signal laws by:

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

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Insurers Council, State Farm Mutual Automobile Insurance Company, and the Downtown Neighborhood Board No. 13 testified in support of this bill. The Department of Transportation and Department of Transportation Services of the City and County of Honolulu supported the intent of the measure. The Office of the Public Defender and a concerned individual opposed the bill. The Judiciary and Department of Budget and Finance submitted comments.

The prevalence of drivers violating Hawaii's traffic-signal laws, in particular the disregard of red light signals, especially on the island of Oahu, has become intolerable. These violations endanger the lives of motorists and pedestrians and compound the already hazardous conditions on Hawaii's roads and highways. Many senseless tragedies occur nationwide and on Hawaii's roadways because of drivers running red lights. This measure will help curb such dangerous activities in Hawaii and protect the health, safety, and welfare of the people of this state.

Furthermore, your Committee finds that as the counties will be administering this program, the fines collected under these programs should be given directly to the county in which the violation occurred rather than being placed in a general fund account under the jurisdiction of the State. Your Committee also understands the concerns raised by the Prosecutor that receipt of a summons or citation for a violation by the registered owner of the vehicle must be ensured.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language establishing the photo red light imaging detector system program account;
- (2) Deleting language authorizing that fines collected under county-administered programs to be deposited into the photo red light imaging detector system program account;
- (3) Inserting language authorizing the State Director of Finance to distribute fines collected under a photo red light imaging detector system program established by a county directly to the county director of finance of the county in which the violation occurred; and
- (4) Requiring that the summons or citation sent by certified or registered mail to the registered owner of the vehicle include a return receipt to ensure the registered owner did receive the citation and notice of infraction.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 145, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 49            Health on H.B. No. 702**

The purpose of this bill is to clarify that amounts received by a managed care support contractor for actual costs or advances to third party health care providers made pursuant to a contract for the administration of the federal TRICARE program are exempt from general excise tax.

The West Healthcare Alliance, Inc., and the Hawaii Medical Service Association supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 702 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 50            Health on H.B. No. 687**

The purpose of this bill is to transfer the Yukio Okutsu State Veterans Home from the Hawaii Health Systems Corporation (HHSC) to the Office of Veterans' Services (OVS), along with the position of State Government Liaison Officer.

The Department of Defense's Office of Veterans Services and Hawaii Health Systems Corporation opposed this bill. The Chief Executive Officer of the Hilo Medical Center and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Removing all references to the transfer of the Yukio Okutsu State Veterans Home from HHSC to OVS;
- (2) Providing OVS with greater access to necessary information to ensure proper health care is provided to Hawaii's veterans receiving care from the Yukio Okutsu State Veterans Home;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and

- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

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

**SCRep. 51 Health on H.B. No. 699**

The purpose of this bill is to encourage and support the growth and advancement of medical technology research in Hawaii by providing a Medical Technology Research Tax Credit (Tax Credit) for qualified individuals and corporations that conduct research to benefit children and the elderly with respect to acute health problems, health care in rural areas of the state, and disease prevention.

The Hawaii Medical Service Association supported this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Setting the Tax Credit at ten percent of the costs related to conducting medical technology research;
- (2) Providing that no refund or payment be made through the Tax Credit for amounts less than \$25,000;
- (3) Ensuring that no taxpayer will receive more than one available credit for the same qualified costs claimed under the Tax Credit;
- (4) Extending the time period the Tax Credit will be available to December 31, 2013; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 699, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 52 Health on H.B. No. 343**

The purpose of this bill is to provide relief to medically underserved areas of the state by increasing the number of primary care health providers in rural areas of Hawaii through the:

- 1) Development of a statewide Rural Primary Health Care Training Program (Program); and
- 2) Expansion of the University of Hawaii John A. Burns School of Medicine's (JABSOM) Family Residency Program to provide rural primary health care services.

JABSOM, the Hawaii Health Systems Corporation (HHSC), HHSC's Hilo Medical Center Medical Group Practice Director, County of Hawaii, Hawaii Medical Association, Hawaii Primary Care Association, Hawaii Medical Service Association, League of Women Voters of Hawaii, and Hawaii Association for Justice supported this bill.

Your Committee has amended this bill by:

- (1) Including the four major counties of the state to participate in the development of the Program, beginning with the County of Hawaii;
- (2) Appropriating an unspecified amount for JABSOM's Family Medicine Residence Program and the statewide Rural Primary Health Care Training Program;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 343, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 53 Health on H.B. No. 691**

The purpose of this bill is to ensure access to health care in rural areas by establishing the Hawaii Rural Health Care Provider Loan Repayment Program (Program) to provide student loan repayments to qualified physicians who practice in federally designated health professional shortage areas of the state.

The Hawaii Primary Care Association, Hawaii Medical Service Association, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Medical Association, and Hawaii Association for Justice, and a concerned individual supported this bill. The Department of Budget and Finance opposed this measure. The Department of Health submitted comments.

Your Committee has amended this bill by:



- (1) Providing preference for participation in the Program for licensed physicians who have graduated from a school of medicine and have received Hawaii-based medical training;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 691, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 54            Health on H.B. No. 329**

The purpose of this bill is to provide Hawaii's youth with:

- (1) Reliable information regarding contraception and protection from sexually transmitted diseases; and
- (2) Comprehensive sexuality education that empowers them to act responsibly and in their best self-interest,

by requiring the State to reject all Title V federal funding for mandated abstinence-only-until-marriage programs.

The Department of Education (DOE), Hawaii State Commission on the Status of Women, Community Alliance on Prisons, Planned Parenthood Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii State Democratic Women's Caucus, Hawaii Women's Political Caucus, Hawaii Youth Services Network, American Civil Liberties Union of Hawaii, Nursing Advocates and Mentors, Inc., Mestizo Association, and numerous concerned individuals supported this bill. The Department of Health, Catholic Charities Hawaii's Mary Jane Program (Try Wait! Program), Pro-Family Hawaii, and several concerned individuals opposed this measure. Hawaii Right to Life and several concerned individuals submitted comments.

Your Committee notes DOE's testimony in which DOE stated that, currently, it does not accept any Title V (Social Security Act of 1996) funding. This bill does not prohibit programs from providing abstinence-only instruction and DOE will continue to provide Hawaii's public school students with comprehensive sex education instruction that includes information on the value of abstinence as the surest method of preventing sexually transmitted diseases and unplanned pregnancy, and also inform them on the use of other protective devices and methods.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 329, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Belatti and Carroll.  
(Representative Finnegan voted no.)

**SCRep. 55            Health on H.B. No. 330**

The purpose of this bill is to ensure the delivery of accurate sex education information by requiring any recipient of state funding that provides sexuality health education to provide medically accurate, factual, and comprehensive information that is age appropriate and includes education on abstinence and contraception.

The Hawaii State Commission on the Status of Women, League of Women Voters - Hawaii, Planned Parenthood Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, American Civil Liberty Union of Hawaii, Hawaii State Democratic Women's Caucus, Community Alliance on Prisons, Hawaii's Women's Political Caucus, Nursing Advocates and Mentors, Inc., The Mestizo Association, and several concerned individual supported this bill. The Department of Education (DOE) and Hawaii Youth Services Network supported the intent of this measure. The Department of Health, Catholic Charities Hawaii's Mary Jane Program (Try Wait! Program), Pro-family Hawaii, and several concerned individuals opposed this bill. Several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the state funding referred to by this bill is specifically for sexuality health education;
- (2) Rephrasing language as suggested by DOE regarding the prevention of unintended pregnancy to be more in line with Board of Education policies; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 330, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 56            Health on H.B. No. 230**

The purpose of this bill is to facilitate the transporting of persons with disabilities by nursing facilities by authorizing the issuance of special license plates and removable windshield placards to nursing facility vehicles used to transport disabled persons, to permit the use of parking stalls reserved for persons with disabilities.

The Policy Advisory Board for Elder Affairs and a concerned individual supported this bill. The Hawaii Centers for Independent Living supported the intent of this measure. A concerned individual opposed this bill. The Disability and Communication Access Board submitted comments.

Your Committee has amended this bill by:

- (1) Requiring that parking placards used in a nursing facility's vehicle also display the vehicle's license plate number; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 230, H.D. 1, and be referred to the Committee on Transportation.

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

**SCRep. 57 Health on H.B. No. 808**

The purpose of this bill is to ensure efficient and appropriate access to health care statewide and to ease the strain on hospital emergency room care for non-emergency illnesses by:

- (1) Clarifying that telemedicine is in a physician's scope of practice and is authorized in Hawaii when practiced by a licensed physician providing services to patients; and
- (2) Further clarifying the current laws regarding telehealth to ensure compliance with changes made to the law regulating the practice of medicine.

The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Hawaii Pacific Health, and a concerned individual supported this bill. The Hawaii Medical Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 58 Health on H.B. No. 690**

The purpose of this bill is to provide access to adequate health insurance coverage for part-time workers by requiring insurers that offer health care coverage to the regular employees of any group or association to offer the same coverage to part-time employees, to be paid for in full by the participating part-time employees, working at least 15 hours per week; and

This measure also requires the Insurance Commissioner to report to the legislature on the cost-benefits of providing this option to part-time workers.

The Department of Commerce and Consumer Affairs and a concerned individual supported this bill. The Retail Merchants of Hawaii opposed this measure. The Hawaii Medical Service Association and Hawaii Association of Health Plans submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 690, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti and Carroll.  
(Representative Finnegan voted no.)

**SCRep. 59 Health on H.B. No. 814**

The purpose of this bill is to ensure consistency and excellence in medical care provided by nurses aides by specifying:

- (1) The renewal period for the recertification of certified nurse aides; and
- (2) The number of continuing education hours required for recertification,

by the Director of Human Services.

The Hawaii Coalition for Caregivers, Nursing Advocates and Mentors, Inc., Philippine Nurses Association Hawaii, United Filipino Council of Hawaii, Filipino Nurses' Organization of Hawaii, Filipino Coalition for Solidarity, National Association of Filipino American Associations – Region 12, Filipino American Citizens League, Oahu Filipino Community Council, Big Island Chapters of the Adult Residential Care Home Operators and Adult Foster Home Association, and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by:

- (1) Specifying that the continuing education hours required for recertification will not conflict with federal laws that may differ;
- (2) Making conforming amendments to statutes governing the Department of Human Services to ensure consistency in nurses aides regulations;

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 814, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 60 Health on H.B. No. 327**

The purpose of this bill is to protect our youth from the harmful, targeted marketing of cigarette companies by prohibiting the sale or distribution in Hawaii of "purse packs" that are cigarettes packaged in a box similar to a lipstick package.

The American Cancer Society Hawaii Pacific, Inc. and Coalition of a Tobacco-Free Hawaii supported this bill. The Hawaii Food Industry Association and a concerned individual opposed this measure.

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

- (1) Clarifying that cigarettes having a circumference of less than 25 millimeters are prohibited from being sold or distributed in the state or imported into the state;
- (2) Placing the responsibility of enforcement of the ban on cigarettes with a circumference of less than 25 millimeters (miniature cigarettes) with the State Fire Council (SFC);
- (3) Establishing the State Fire Council Special Fund (Special Fund) to fund SFC's enforcement of the ban on the miniature cigarettes;
- (4) Directing that all fines collected for violations of the ban on the miniature cigarettes be credited to the Special Fund;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 327, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 61 Health on H.B. No. 1526**

The purpose of this bill is to assist the public in making healthy choices when visiting restaurant establishments by requiring a retail food establishment that is part of a franchise composed of ten or more establishments to:

- (1) Maintain nutritional information on each of its standard menu items; and
- (2) Have that information readily available to provide to the public upon request.

The Hawaii Restaurant Association supported the intent of this bill. The Department of Health, American Heart Association, and American Cancer Society Hawaii Pacific, Inc., opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring qualified restaurants with a drive-thru to provide nutritional information upon request;
- (2) Amending the definition of "standard menu items" to mean food items offered for sale for more than 180 days per year rather than 30 days;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1526, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 62 Health on H.B. No. 991**

The purpose of this bill is to ensure adequate access to medical care in rural, medically underserved areas of the state by establishing the Hawaii Medical Doctor Loan Program (Program) to provide financial assistance for University of Hawaii medical school graduates who agree to work in rural areas of the state.

The Hawaii Medical Association, Hawaii Primary Care Association, League of Women Voters of Hawaii, and Hawaii Section of the American College of Obstetricians and Gynecologists supported this bill.

Your Committee has amended this bill by:

- (1) Expanding the Program to include medical school graduates who have received medical training in a Hawaii-based program; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 991, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 63            Health on H.B. No. 384**

The purpose of this bill is to increase water safety levels in Hawaii by establishing a temporary water safety task force in the Department of Health to investigate and examine the advisability of expanding its water safety curriculum to include measures to protect the public against the dangers of retention ponds.

Several concerned individuals supported this bill. The American Public Works Association – Hawaii Chapter and American Council of Engineering Companies of Hawaii supported the intent of this measure. The Department of Health and Department of Land and Natural Resources submitted comments.

Your Committee has amended this bill by:

- (1) Adding to the water safety task force the:
  - (A) President of the Hawaii Chapter of the American Public Works Association;
  - (B) Commander of the United States Army Corps of Engineers' Honolulu Engineering District; and
  - (C) Director of the United States Department of Agriculture's Hawaii field office.
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 384, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 64            Human Services on H.B. No. 1033**

The purpose of this bill is to:

- (1) Clarify that all income withholding payments be sent to the State's Child Support Enforcement Agency (Agency);
- (2) Allow the Agency to disburse support payments by electronic deposit or debit card;
- (3) Allow an electronic copy or facsimile of a signature to act as a valid proof of service; and
- (4) Clarify lien payment and enforcement.

The State Attorney General testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1033 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 65            Energy & Environmental Protection on H.B. No. 1050**

The purpose of this bill is to:

- (1) Comprehensively address deficiencies in Hawaii's energy resources coordination statutes; and
- (2) Provide policy guidance needed to provide adequate detail on the nature and relationship of the energy data analyses functions required of the state energy resources coordinator and energy program.

The Department of Business, Economic Development, and Tourism, Blue Planet Foundation, and Honolulu Seawater Air Conditioning, LLC, supported this bill. Hawaii Renewable Energy Alliance supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1050 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 66 Energy & Environmental Protection on H.B. No. 371**

The purpose of this bill is to make permanent the one cent per gallon tax on naphtha sold for use in a power-generating facility.

The Kauai Island Utility Cooperative and Hamakua Energy Partners, L.P., testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by adding language providing background on the initial implementation of the tax in 2007.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 371, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 67 Energy & Environmental Protection on H.B. No. 429**

The purpose of this bill is to offset the forecasted electrical load growth statewide between the years 2009 and 2030 by directing the Public Utilities Commission (PUC) to establish energy efficiency portfolio standards.

Life of the Land testified in support of this bill. The Department of Business, Economic Development, and Tourism, PUC, Blue Planet Foundation, The Sierra Club-Hawaii Chapter, and Honolulu Seawater Air Conditioning, LLC, supported the intent of this measure. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported this bill with amendments. The Hawaii Renewable Energy Alliance opposed this measure. The Building Industry Association of Hawaii, Grassroot Institute of Hawaii, and The Chamber of Commerce of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the goal of the energy efficiency portfolio standards to maximize cost-effective energy efficiency programs and technologies;
- (2) Inserting a findings and purpose section;
- (3) Changing the unit of desired statewide electricity use reductions from "gigawatts" to "gigawatt hours;"
- (4) Specifying that the PUC establish interim goals for electricity use reductions at 2015, 2020, 2025, and allowing the PUC to adjust the 2030 standard by rule or order;
- (5) Deleting the requirements that the PUC:
  - (a) Identify parties and stakeholders who are responsible for each element of the energy efficiency portfolio standards;
  - (b) Monitor progress towards achieving the energy efficiency portfolio standards; and
  - (c) Consider the impact of renewable energy substitutions, including solar water heating and seawater air-conditioning, on meeting energy efficiency standards;
- (6) Deleting the requirement for the public benefits fee administrator to develop energy efficiency programs designed to facilitate the achievement of energy efficiency portfolio standards and the annual progress report submission requirement;
- (7) Specifying that the PUC may establish incentives and penalties based on performance by rule or order; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 429, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 68 Energy & Environmental Protection on H.B. No. 986**

The purpose of this bill is to improve public school facilities and reduce energy demands by requiring:

- (1) Construction and renovation of public school facilities to meet the standards of the Collaborative for High Performance Schools;
- (2) Replacement of old portable buildings with high performance classrooms; and
- (3) Prioritization of public school facilities projects in accordance with certain criteria.

The Department of Business, Economic Development, and Tourism and Laborers' International Union of North America Local 368 supported the intent of this bill. The Department of Education did not support this measure.

Your Committee finds that this bill presents many favorable implications for Hawaii. It will decrease current and future energy demands on Hawaii's public school system and, at the same time, provide buildings that are critical to the health and educational well-being of Hawaii's students. This measure will also position Hawaii to use any forthcoming federal funds for public school construction, and thereby also serve as an economic stimulus for the State's slumping economy.

Your Committee has amended this bill by clarifying the matters of consideration in prioritizing public school facilities projects by replacing:

- (1) "Reduce energy use" with "Promote energy efficiency by requiring forty per cent less energy demand as compared to the International Energy Conservation Code";
- (2) "Promote the use of renewable energy" with "Incorporate renewable energy resources";
- (3) "Support local jobs" with "Prioritize local and regional jobs";
- (4) "Are quick to deploy" with "Are deployable within twelve months of funding"; and
- (5) "Have forty per cent lower life-cycle costs than traditional buildings." with "Anticipate twenty-five per cent lower life-cycle costs than traditional buildings."

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 69 Energy & Environmental Protection on H.B. No. 1116**

The purpose of this bill is to assist the Department of Health (DOH) in complying with increasingly complex federal water-pollution requirements by allowing DOH to establish up to two exempt Total Maximum Daily Load Coordinator positions.

DOH, Office of Hawaiian Affairs, Department of Environmental Services of the City and County of Honolulu, and Hanalei Watershed Hui supported this bill.

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

- (1) Clarifying that the reference to the Clean Water Act contained in this measure means the Federal Water Pollution Control Act of 1972, as amended; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee recognizes that the positions authorized in this measure are federally funded and has passed this measure with the understanding that federal funds to fill these positions may be forthcoming.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1116, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 70 Energy & Environmental Protection on H.B. No. 1843**

The purpose of this bill is to reduce Hawaii's dependence on fossil fuel and increase the use of renewable energy within the state by, among other things:

- (1) Increasing the amount of an electric utility company's renewable portfolio standard from 20 to 25 percent of the electric company's net electricity sales by December 31, 2020;
- (2) Requiring the amount of an electric utility company's renewable portfolio standard to be 40 percent of the electric company's net electricity sales by December 31, 2030;
- (3) Prohibiting the Public Utilities Commission (PUC) from issuing a permit for the construction or operation of a new electric generation unit that produces electricity solely from the combustion of a fossil fuel, with certain exemptions;
- (4) Requiring the PUC to evaluate renewable portfolio standards every five years, beginning in 2013;
- (5) Requiring the State Energy Resources Coordinator (Coordinator) to:
  - (A) Formulate a systematic process, including the development of requirements, to identify geographic areas that contain renewable energy resource potential that may be developed in a cost-effective and environmentally benign manner and designate these areas as renewable energy zones;
  - (B) Develop and recommend incentive plans and programs to encourage the development of renewable energy resource projects within the renewable energy zones;
  - (C) Assist public and private agencies in identifying the utility transmission projects or infrastructure that are required to accommodate and facilitate the development of renewable energy resources;
  - (D) Assist public and private agencies in coordination with the department of budget and finance in accessing use of special purpose revenue bonds to finance the engineering, design, and construction of transmission projects and infrastructure that are deemed critical to the development of renewable energy resources; and

- (E) Develop the criteria or requirements for identifying and qualifying specific transmission projects or infrastructure that are critical to the development of renewable energy resources and for which the Coordinator shall assist in accessing the use of special purpose revenue bonds to finance;
- (6) Including specific examples of renewable resources for the production of electrical energy that businesses must be engaged in to be deemed a "Qualified Business" under Hawaii's State Enterprise Zone law; and
- (7) Specifying duties of the renewable energy facilitator to facilitate the efficient permitting of renewable energy projects.

The Sierra Club-Hawaii Chapter and Blue Planet Foundation testified in support of this bill. The Department of Business, Economic Development, and Tourism and Novo Development Company, LLC supported the intent of this measure. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill with amendments. The Hawaii Renewable Energy Alliance opposed this bill. The Honolulu Seawater Air Conditioning, LLC, provided comments.

Hawaii depends on imported oil for most of its energy needs with over 92 percent of its electrical generation being derived from fossil fuels. The combustion of these fossil fuels contributes large amounts of greenhouse gases to the atmosphere and has a profound impact on the environment.

The abundance of renewable energy available in Hawaii, including, among other things, wind and solar energy, makes it ideal for the use of these renewable resources to meet our energy needs. By using these renewable resources and decreasing our dependence on fossil fuels, Hawaii's economic, environmental, and energy security can be secured.

While this measure further specifies the duties of the renewable energy facilitator, in particular, with regard to facilitating the efficient permitting of renewable energy projects including the land parcels on which the facility is situated, your Committee finds that some renewable energy projects may occur off-shore. Your Committee notes that these types of projects should also be considered in the permit facilitation process.

Your Committee has amended this bill by:

- (1) Placing the prohibition against the issuance, by the PUC, of a permit for the construction or operation of a new electric generation unit that produces electricity solely from the combustion of a fossil fuel under the section of statute dealing with the issuance of certificates of public convenience and necessity;
- (2) Adding language establishing a more general prohibition against issuing any sort of permit for the construction or operation of a new electrical generation facility powered by fossil fuels; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1843, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 71 Energy & Environmental Protection/Housing on H.B. No. 1464**

The purpose of this bill is to clarify provisions of Act 204, Session Laws of Hawaii 2008 by:

- (1) Specifying that building permits for new single-family dwellings without a solar water heater system will only be issued if a variance is accepted by the Energy Resources Coordinator (Coordinator);
- (2) Requiring the Coordinator to publicize all variance applications and the resulting dispositions;
- (3) Amending the provisions for claiming a State tax credit; and
- (4) Specifying that the Public Utilities Commission may contract with the Public Benefits Fee Administrator to develop standards for solar water heater systems.

The Gas Company and Sierra Club-Hawaii Chapter, testified in support of this bill. The Department of Taxation, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of the measure. The Department of Business, Economic Development, and Tourism, Tax Foundation of Hawaii, Hawaii Solar Energy Association, and Blue Planet Foundation provided comments.

Upon consideration, your Committees have amended this bill by:

- (1) Including a section that allows individual counties to enact more aggressive ordinances; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1464, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1464, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Cabanilla.  
(Note: Representative Ching was marked excused for the Committee on Housing only.)

**SCRep. 72 Hawaiian Affairs on H.B. No. 1660**

The purpose of this bill is to facilitate the implementation of laws that relate to native Hawaiians and Hawaiians by recognizing in the Hawaii Revised Statutes, the Hawaiian people as the indigenous people of the State of Hawaii.

The Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Malama Kauai, Na Koa Ikaika o Ka Lahui Hawaii, Aha Kiolo Advisory Committee, Japanese American Citizens League, Hawaiian Political Action Council of Hawaii, Association of Hawaiian Civic Clubs, Ko'olau Foundation, Ko'olaupoko Hawaiian Civic Club, Kako'o O'iwi, submitted testimony in support of this measure. A concerned individual opposed this bill.

This bill is part of the Hawaiian Caucus' 2009 legislative package. It strengthens language in section 10-2, Hawaii Revised Statutes, that concerns the Office of Hawaiian Affairs, and defines Hawaiians and native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1660 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 73 Hawaiian Affairs on H.B. No. 1667**

The purpose of this bill is to preserve the corpus of the public land trust to allow a fair and just resolution between the State and native Hawaiians concerning native Hawaiian claims to the ceded lands, by prohibiting the Board of Land and Natural Resources from selling, exchanging, or otherwise alienating ceded lands.

The Office of Hawaiian Affairs, Kamehameha Schools, Malama Kauai, Aha Kiolo Advisory Committee, Japanese American Citizens League, Kupu'aina Coalition, Sovereign Council of the Hawaiian Homelands Assembly, Life of the Land, Hawaiian Political Action Council of Hawaii, Association of Hawaiian Civic Clubs, Ko'olau Foundation, Royal Order of Kamehameha I, 'Ewa-Pu'uloa Hawaiian Civic Club, Ka Lei Maile Alii Hawaiian Civic Club, Kako'o O'iwi, Ko'olaupoko Hawaiian Civic Club, and numerous concerned individuals supported this bill. The Department of the Attorney General and Na Koa Ikaika o Ka Lahui Hawaii opposed this measure. Comments were submitted by the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1667 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee.

**SCRep. 74 Hawaiian Affairs on H.B. No. 902**

The purpose of this bill is to protect the corpus of the public lands trust by prohibiting the sale in fee simple or exchange of lands in the trust.

The Office of Hawaiian Affairs (OHA), Sovereign Councils of the Hawaiian Homelands Assembly, and several concerned individuals testified in support of this bill. The Department of the Attorney General and a concerned individual opposed this measure. The Department of Land and Natural Resources commented.

This bill is part of the OHA legislative package. This OHA bill is intended to ensure that lands in the public lands trust are preserved pending a fair and just settlement of native Hawaiian claims to the ceded lands that leads to reconciliation between the State and the native Hawaiian people.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee.

**SCRep. 75 Hawaiian Affairs on H.B. No. 1841**

The purpose of this bill is to lay the foundation for a fair and just settlement between the State and the native Hawaiian people on the claims of the native Hawaiian people to the ceded lands by:

- (1) Prohibiting the sale, exchange, or other permanent transfer of lands in the public lands trust to a private entity;
- (2) Requiring the Department of Land and Natural Resources to make an inventory of lands in the public lands trust; and
- (3) Appropriating funds for the inventory to be matched by the Office of Hawaiian Affairs.

The Hawaiian Political Action Council of Hawaii, Na Koa Ikaika o Ka Lahui Hawaii, Ko'olau Foundation, Aha Kiolo Advisory Committee, Life of the Land, Sovereign Councils of the Hawaiian Homelands Assembly, Kamehameha Schools, Malama Kauai, Ko'olaupoko Hawaiian Civic Club, Kako'o O'iwi, and numerous concerned individuals supported this bill. The Office of Hawaiian Affairs supported the intent of this measure. The Department of the Attorney General opposed this bill. Comments were submitted by the Department of Land and Natural Resources.

Although a complete inventory of ceded lands may be necessary for the resolution of ceded lands claims, there are concerns about the cost of that inventory. Your Committee finds that these issues must continue to be discussed as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee.

**SCRep. 76 Hawaiian Affairs on H.B. No. 1805**

The purpose of this bill is to allow a fair and just settlement between the State and the native Hawaiian people on ceded lands claims by placing a moratorium on the sale and exchange of ceded lands to preserve lands in the public lands trust until such time that there is a reconciliation between the State and the native Hawaiian people.



The Office of Hawaiian Affairs, Kamehameha Schools, Malama Kaua'i, Ko'olau Foundation, Kako'o O'iwi, Ko'olaupoko Hawaiian Civic Club, Hawaiian Political Action Council of Hawaii, Aha Kiole Advisory Committee, Japanese American Citizens League, Honolulu Chapter, Life of the Land, Sovereign Councils of the Hawaiian Homelands Assembly, and numerous concerned individuals supported this bill. The Association of Hawaiian Civic Clubs supported this bill with amendments. Testimony in opposition to this measure was submitted by the Department of the Attorney General and Na Koa Ikaika o Ka Lahui Hawaii. The Department of Land and Natural Resources commented.

Bills similar to this measure that prohibit the sale, exchange or other alienation of ceded lands have been reported out of your Committee. Upon further reflection, your Committee has amended this measure to replace its provisions with those that prohibit the sale or exchange of ceded and other lands unless the Legislature gives prior approval by adopting a concurrent resolution by a two-thirds majority vote of each house. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1805, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee.

**SCRep. 77 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 431**

The purpose of this bill is to promote energy efficiency in buildings statewide by:

- (1) Directing the Energy Resources Coordinator (Coordinator) to review energy efficiency in building construction statewide, recommend amendments to state and county building codes, and develop commissioning guidelines for the construction of commercial buildings in the State;
- (2) Requiring the state and county building codes to include the latest edition of the International Energy Conservation Code (IECC);
- (3) Requiring the Department of Accounting and General Services (DAGS) and the Coordinator to benchmark certain larger state buildings and use the results to determine measures to improve building energy efficiency;
- (4) Requiring the Coordinator to:
  - (A) Establish performance targets for energy efficiency in state buildings;
  - (B) Develop buildings for retro-commissioning of state government buildings; and
  - (C) Publish an annual report on the energy efficiency of state buildings;
- (5) Establishing performance targets to be included in the terms of energy performance contracts for retro-commissioning or major retrofit or renovation of a state building;
- (6) Requiring the Comptroller to establish guidelines for energy-saving contracts and prepare model energy-savings contracts to use for purchasing and contracting; and
- (7) Allocating 50 percent of moneys saved through efficiency and renewable energy system retrofitting to pay for costs directly associated with administering energy efficiency and renewable energy system retrofitting programs.

The Blue Planet Foundation testified in support of this bill. DAGS, the Department of Business, Economic Development, and Tourism, and Hawaii Developers' Council offered comments.

Your Committees have amended this bill by:

- (1) Removing provisions requiring the state building code to include the latest edition of the IECC within six months of its adoption by the International Code Council;
- (2) Removing the mandate that the sections of the state building code that include provisions of the IECC become applicable in the county building code until the county adopts the amendments;
- (3) Removing the requirement that the Coordinator establish performance targets that are 30 percent higher than the most recent guideline established by the IECC for existing state buildings;
- (4) Deleting reference regarding guidelines established by the Comptroller with regard to energy performance contracts; and
- (5) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 431, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 431, H.D. 1, and be referred to the Committee on Housing.

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

**SCRep. 78 Consumer Protection & Commerce/Judiciary on H.B. No. 272**

The purpose of this bill is to allow commercial registered agents to register as such with the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs and the State Commission to Promote Uniform Legislation submitted testimony in support of this measure.

Currently, every domestic or foreign entity registered to do business in the State of Hawaii is required to have a registered agent who is located in the State to accept service of process. In a growing number of cases, a company acts as the registered agent for many different entities, thus requiring the company and the Department of Commerce and Consumer Affairs to process multiple filings for each entity.

Your Committees find that creating a registry of commercial registered agents will streamline the process, so that if there are any changes in the name, address, or other information of the commercial agent, the change need only be noted in the registration for the commercial agent rather than for each of the entities for whom the commercial agent acts as a registered agent. Simplifying the process will reduce the time and costs of multiple registrations for both the commercial registered agents and the Department of Commerce and Consumer Affairs.

Your Committee received testimony from the Commissioner of Securities, who also supervises the staff of the Business Registration Division of the Department of Commerce and Consumer Affairs, who provided a vivid example of how this measure will simplify the work of that agency. A few months ago, a registered agent was required by the United States Postal Service to revise its address. The agent thereupon had to file change of address applications for each of the over three thousand entities it represented. Departmental staff took over three months to process all of the applications. Had this measure been in place, that commercial registered agent would have been able to file a single change application online. Your Committee therefore finds that this measure will do much to promote efficiency in government operations.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 272 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 79                    Human Services on H.B. No. 155**

The purpose of this bill is to:

- (1) Require the Department of Human Services (DHS) to adopt rules implementing a standardized grievance procedure for infant and toddler child care centers that accommodate both clients and employees; and
- (2) Require DHS to make the standardized procedures public.

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

Upon consideration, your Committee has amended this bill by:

- (1) Making adoption of standardized procedures discretionary;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 155, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 80                    Judiciary on H.B. No. 625**

The purpose of this bill is to expand access to the justice system by providing more adequate funding for legal services to indigent persons by:

- (1) Increasing from \$10 to \$35 the surcharge imposed on civil actions in the district court for which an initial filing fee is required to be paid;
- (2) Increasing from \$25 to \$65 the surcharge imposed on civil actions in the circuit court for which an initial filing fee is required to be paid;
- (3) Increasing from \$25 to \$65 the surcharge imposed on civil actions in the courts of appeal for which an initial filing fee is required to be paid; and
- (4) Adjusting the distribution formula of the funds for legal-services organizations for the indigent by:
  - (a) Allocating 70 percent of all funds to be distributed on a pro rata basis to qualifying organizations; and
  - (b) Distributing equally the remaining 30 percent of the funds to qualifying organizations whose total budget in the prior year for civil legal services to indigent persons exceeded \$100,000.

Volunteer Legal Services Hawaii, the Access to Justice Commission, Legal Aid Society of Hawaii, Hawaii Immigrant Justice Center, Native Hawaiian Legal Corporation, Mediation Center of the Pacific, American Civil Liberties Union of Hawaii, Hawaii Disability Rights Center, Domestic Violence Action Center, and several concerned individuals testified in support of this bill.

The League of Women Voters of Hawaii, Credit Associates of Maui, Ltd., Collection Law Section of the Hawaii State Bar Association, and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 625 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 81 Economic Revitalization, Business, & Military Affairs on H.B. No. 472**

The purpose of this bill is to recognize the sacrifices made by military veterans by exempting one noncommercial motor vehicle registered to a veteran, from the state vehicle weight tax.

A concerned individual supported this bill. The Office of Veterans Services supported the intent of this bill. The Department of Transportation, Department of Taxation, and City and County of Honolulu opposed this bill. The Tax Foundation of Hawaii commented.

Your Committee supports our veterans, but also acknowledges that this bill would adversely impact funding for highway operations, maintenance, and construction. Accordingly, the exemption has been amended to apply only to the approximately 19,000 totally disabled veterans, as well as to veterans who served in World War II or the Korean War. Your Committee notes that as amended, the exemption would include Filipino World War II veterans.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 472, H.D. 1, and be referred to the Committee on Transportation.

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

**SCRep. 82 Economic Revitalization, Business, & Military Affairs on H.B. No. 553**

The purpose of this bill is to encourage the establishment of modern medical and medical research facilities within the state by establishing a medical enterprise zone program initially consisting of a pilot medical enterprise zone in west Maui.

Classic Resorts Limited, West Maui Improvement Foundation, Lahainaluna High School Health Occupations Students of America, Newport Hospital Corporation, Lahaina-Honolua Senior Citizens Club, Trilogy Excursions, Lokelani Construction, and numerous concerned individuals submitted testimony in support of this measure. The Department of Health opposed the bill. Department of Taxation, Tax Foundation of Hawaii, and several concerned individuals commented on this measure.

Your Committee finds that our state, especially its rural areas, would benefit from the establishment of modern medical facilities for health care and research that would attract highly skilled medical professionals to work in Hawaii. Limiting potential investments in a medical enterprise zone to a pilot project in west Maui will minimize the impact on the State while allowing the State to evaluate the zone's performance.

In addition, the project offers the Department of Business, Economic Development, and Tourism an opportunity to examine the existing Enterprise Zone Program and consider whether a reform of its benchmarks is needed to make them more appropriate and applicable to medical, alternative energy, and other desirable research and technology businesses.

Your Committee has amended this bill by replacing the Department of Health with the Department of Business, Economic Development, and Tourism, which has expertise in administering the existing Enterprise Zone Program. To allow further discussion of this bill, its effective date has been changed to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 553, H.D. 1, and be referred to the Committee on Health.

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

**SCRep. 83 Economic Revitalization, Business, & Military Affairs on H.B. No. 651**

The purpose of this bill is to give persons who are delinquent in paying state taxes, a three-year window of opportunity to obtain, renew, or transfer a liquor license if they have entered into a payment plan with the Director of Taxation and are current in payments and not in default.

The Department of Taxation and Honolulu Liquor Commission commented on this measure.

Under current liquor law, a tax clearance must be obtained before a person may obtain, renew, or transfer a liquor license. This bill gives liquor licensees who have become delinquent in tax payments during the economic downturn, an opportunity to continue doing business so long as they pay their back-taxes.

Your Committee has concerns that this measure may reduce incentives for liquor licensees to remain current in their tax payments, and believes that there must be further discussion on this issue. In addition, to avoid constitutional due process issues and litigation, your Committee recognizes that a license should not be summarily revoked. Accordingly, your Committee has amended this bill by:

- (1) Providing that a licensee is entitled to notice and a hearing pursuant to section 281-91, Hawaii Revised Statutes, before a license is revoked for a default under a payment plan; and
- (2) Changing the effective date of the bill to July 1, 2112.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 84 Economic Revitalization, Business, & Military Affairs on H.B. No. 657**

The purpose of this bill is to support veterans by establishing a scholarship program at the University of Hawaii for veterans and their children.

The Office of Veterans Services and University of Hawaii supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Restricting scholarships to University of Hawaii students, to address the measure's fiscal impact;
- (2) Simplifying the identification of those veterans eligible for the program; and
- (3) Changing its effective date to July 1, 2112, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 657, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 85 Economic Revitalization, Business, & Military Affairs on H.B. No. 1603**

The purpose of this bill is to give State decision makers the information needed to make Hawaii a successful player in the global economy by appropriating funds for the Legislative Reference Bureau (LRB) to contract with consultants with expertise in international and local economic analysis to make a diagnostic assessment of the conditions, challenges, and opportunities facing the State.

The Department of Business, Economic Development, and Tourism (DBEDT) and LRB offered comments on this bill.

Your Committee finds that Hawaii's economy and global economic conditions have changed drastically during the past few years. The report proposed in this bill is intended to give the State's leaders a clear understanding of the global forces that currently influence the State's economy, the State's relative competitiveness, and policies and options that are available to place the State on an optimal development path.

Your Committee has amended this bill by:

- (1) Replacing LRB with DBEDT as the agency that will contract with the necessary consultants; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1603, H.D. 1, and be referred to the Committee on Legislative Management.

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

**SCRep. 86 Economic Revitalization, Business, & Military Affairs on H.B. No. 1622**

The purpose of this bill is to ensure that small business is not burdened by out-dated, obsolete administrative rules, by requiring the Small Business Regulatory Review Board to work with state agencies to identify rules that must be amended or repealed because their underlying statutes have been repealed or renumbered.

The Department of Business, Economic Development, and Tourism, Chamber of Commerce of Hawaii, National Federation of Independent Business, and a concerned individual provided testimony in support of this bill. The Small Business Regulatory Review Board supported the intent of this measure.

Your Committee finds that this bill is one of several important measures moving through the Legislature that seek to improve the regulatory process to benefit small business and stimulate economic growth.

To encourage further discussion of this bill, its effective date has been changed to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1622, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 87 Higher Education on H.B. No. 1057**

The purpose of this bill is to support investment in a child's future by allowing family members and friends to contribute to college savings accounts set up under the State-established HI529 program that currently only account owners can contribute to.

The Department of Budget and Finance and The League of Women Voters of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1057, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 88 Higher Education on H.B. No. 1546**

The purpose of this bill is to serve the information technology needs of all campuses and students of the University of Hawaii (UH) by authorizing the issuance of general obligation bonds for the construction of an information technology building at UH that will house systems and services.

UH testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1546, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 89 Higher Education on H.B. No. 1617**

The purpose of this bill is to help facilitate the growth and expansion of research efforts at the University of Hawaii at Hilo (UH-Hilo), thereby stimulating science and technology business in the state. Specifically, this bill establishes at UH-Hilo the Office of the Vice Chancellor for Research and Economic Development, which is to serve as the overarching institutional focal point for the coordination of all undergraduate and graduate science, technology, engineering, and mathematics mentorship programs and the integration of ongoing and future research projects.

The Department of Business, Economic Development, and Tourism, Kanoiehua Industrial Area Association, Hawaii Island Chamber of Commerce, and Japanese Chamber of Commerce & Industry of Hawaii testified in support of this bill. The University of Hawaii supported the intent of this measure. The University of Hawaii Professional Assembly offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 90 Labor & Public Employment on H.B. No. 628**

The purpose of this bill is allow for civil service employees to be moved or exchanged between state, county, and federal government positions if certain conditions are met.

The Hawaii Government Employees Association testified in support of this bill. The Department of Human Resources Development supported the intent of this measure. The Department of Human Resources of the City and County of Honolulu and Department of Human Resources of the County of Hawaii submitted comments.

Act 253, Session Laws of Hawaii 2000, was intended to reform the civil service system. In doing so, however, certain transfer rights and benefits afforded state and county employees were repealed. Although state and county departments have continued to allow movements of employees between and among their jurisdictions under the current civil service law and rules adopted in accordance with that law, your Committee finds that this measure will statutorily restore these rights and benefits.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 91 Labor & Public Employment on H.B. No. 629**

The purpose of this bill is to promote fairness in the political process by removing restrictions on county Liquor Commission employees from participating in political activities.

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

Currently, county Liquor Commission employees face certain restrictions when participating in political activities, including requirements to notify their employer in writing of their political activities. This is unlike other public employees who are permitted, during their non-work hours, to actively work on political campaigns or other political activities to assist in the election or defeat of a candidate. This is due, in part, to the nature of the work of Liquor Commission employees.

Although your Committee notes that Liquor Commission employees should enjoy the rights to participate in the political process enjoyed by other public employees, their unique situation necessitates that some restrictions be maintained.

Your Committee has amended this bill by:

- (1) Reinserting language prohibiting Liquor Commission employees from soliciting or receiving contributions, or receiving or transferring money or anything of value from a licensee for the purpose of supporting, advocating, or aiding in the election or defeat of a candidate for public office;
- (2) Reinserting penalty provisions; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 629, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 92 Labor & Public Employment on H.B. No. 643**

The purpose of this bill is to protect worker rights by:

- (1) Prohibiting contractors from employing individuals who are ineligible for employment within the United States;
- (2) Requiring the Department of Labor and Industrial Relations (DLIR) to investigate complaints that a contractor has hired an ineligible worker;
- (3) Imposing a civil fine of \$1,000 for each person a contractor employs who is ineligible to work in the United States;
- (4) Authorizing the Contractors Licensing Board of the Department of Commerce and Consumer Affairs to suspend or revoke the license of a contractor if a civil judgment is entered against a contractor on a complaint alleging the contractor hired an ineligible worker; and
- (5) Establishing a special fund from which to expend monies for enforcement purposes.

The Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The Laborers' International Union of North America Local 368 and the Chamber of Commerce of Hawaii supported the intent of this measure. A concerned individual testified in opposition to this bill. DLIR did not support this measure. The Department of the Attorney General, Hawaii Civil Rights Commission, and Pacific Resource Partnership commented on this bill.

Although most businesses follow the laws and rules governing their industries with regard to employment of individuals who are ineligible for employment within the United States, some unscrupulous employers take advantage of these individuals since their employment can often reduce costs. However, the use of illegal workers cheats legal workers out of employment opportunities.

Recent events involving the construction industry resulted in the discovery of a number of these illegal workers. According to the Pacific Resource Partnership, between December 2007 and December 2008 at least 168 illegal undocumented workers were arrested in Hawaii with approximately 103 of these workers being employed by the construction industry. These events demonstrate the need for this measure. However, your Committee notes the legal concerns raised by the Attorney General regarding this matter and respectfully requests the Committee on Judiciary to scrutinize these issues as the bill makes its way through the legislative process.

While this measure is an important first step in dealing with this situation, your Committee notes that a more proactive approach to dealing with this problem should be taken.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language requiring a contractor to intentionally or knowingly employ an ineligible worker to constitute a violation;
- (2) Inserting language requiring contractors to certify that workers on a project are eligible to work in the United States as part of their certification process; and
- (3) Inserting language establishing a presumption that the contractor certified their employees in good faith if the contractor used the E-Verify system to verify the status of their employees.

Your Committee has also amended this bill by:

- (1) Inserting an effective date of August 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 643, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 93 Public Safety/Energy & Environmental Protection on H.B. No. 1051**

The purpose of this bill is to provide authoritative policy support and functional guidance to meet critical needs of the state by:

- (1) Accommodating actual and expected changes in Hawaii's energy (and economic) security and vulnerability, stemming from significant changes in energy and fuel markets;

- (2) Updating and aligning key provisions relating to procurement, control, distribution and sale of petroleum products with relevant federal and state overall emergency management laws, and energy emergency management policies and planning guidance;
- (3) Addressing economic and energy systems risks associated with transitional issues and trends relating to both petroleum-based fuels and biofuels, and actionable provisions to add sufficiently detailed definition to conduct energy emergency preparedness-related energy analytic functions; and
- (4) Providing improvements and updates of the State's energy emergency policy guidance.

The Department of Business, Economic Development, and Tourism and Department of Defense supported this bill. The Western States Petroleum Association opposed this measure. The Office of Information Practices; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; and Hawaii Electric Light Company submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1051 and recommend that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Awana, Cabanilla and Ching.

**SCRep. 94 Consumer Protection & Commerce on H.B. No. 270**

The purpose of this bill is to clarify the requirements for selling or advertising used motor vehicles by allowing these activities by dealers possessing reasonable indicia of ownership or right of possession of the legal ownership certificate of the vehicle.

The Hawaii Automobile Dealers Association testified in support of this bill. Hawaii Insurers Council opposed this measure. The Motor Vehicle Industry Licensing Board and State Farm Insurance Companies provided comments.

There are concerns that allowing used car dealers to sell vehicles with documentation less than the title documents could encourage fraud and auto thefts. Your Committee is moving this bill forward for further consideration of these issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 270 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 95 Consumer Protection & Commerce/Judiciary on H.B. No. 1031**

The purpose of this bill is to improve Hawaii's antitrust laws by clarifying:

- (1) The right of government entities to bring an antitrust action for damages notwithstanding their status as indirect purchasers;
- (2) The ability of government entities to bring an action based on unfair methods of competition and unfair or deceptive acts or practices; and
- (3) That any civil action or proceeding authorized under Hawaii's antitrust laws may be brought in any appropriate court, and not only the court in the circuit where the defendant resides, does business, or has an agent.

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

Your Committees find that along with other amendments to clarify Hawaii's antitrust laws, this bill addresses a recent California federal district court order dismissing the antitrust claims of certain state agencies, including Hawaii's, as indirect purchasers.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1031 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 96 Consumer Protection & Commerce/Judiciary on H.B. No. 311**

The purpose of this bill is to improve liquor regulation by making various administrative and technical amendments to the liquor license and liquor tax laws.

The City and County of Honolulu Liquor Commission and the Departments of Liquor Control for the counties of Hawaii, Kauai, and Maui testified in support of this bill. The Department of Taxation submitted comments.

Your Committees find that this bill advances efforts that began with Act 168, Session Laws of Hawaii 2008, to clarify and improve liquor laws relating to licensing, industry practices, and the adjudication process.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 311 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 97 Transportation on H.B. No. 62**

The purpose of this bill is to improve government services by making it easier for the public to obtain certified court documents by:

- (1) Allowing the traffic violations bureau of the district courts, upon request via the Judiciary website, to furnish certified traffic abstracts and certified traffic records via online requests after verification of the requestor's identity; and
- (2) Allowing the Judiciary and traffic violations bureaus of the district courts to collect a fee, not to exceed \$7, for the processing of these reports.

The Judiciary supported the intent of this bill.

The increased use of electronic media to conduct business, including government business, has grown over the past decade. Allowing individuals to electronically obtain traffic abstracts and traffic court records increases the public's accessibility to court documents.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 62 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 98                    Transportation on H.B. No. 1168**

The purpose of this bill is to protect the State from costly lawsuits filed by certain users of the State's commercial airports by allowing the Department of Transportation (DOT) to adopt rules that would require certain private persons engaged in commercial activities that use the State's commercial airports to defend, hold harmless, and indemnify the State, and any of its agencies, officers, and employees, against all claims that arise from the use of the facility.

DOT testified in support of the bill.

Business and commercial use occurs at Hawaii's airports statewide. During the normal course of business, individuals may be injured or property damaged, sometimes as a result of the inappropriate actions or negligence of a business, employees or individuals associated with a business, or individuals associated with a particular commercial activity. While claims are filed against the businesses or individuals who acted negligently, claims have also been filed against the State as the landowner.

In an attempt to address this type of situation, DOT, to the extent possible, has required a duty on tenants and permittees to defend, indemnify, and hold harmless the State through lease agreements or revocable permits. However, there are some commercial activities and some permittees operating commercial activities at state airport facilities that do not have lease agreements or revocable permits with DOT. To address these businesses and commercial activities, DOT promulgated Chapter 19-20.1, Hawaii Administrative Rules, to impose duties on these permittees and commercial activities to defend, indemnify, and hold the State harmless. Yet, these rules have been called into question by the Hawaii Supreme Court in William Haole v. State of Hawaii (111 Haw. 144 (2006)) in which the court concluded that DOT's governing statutes did not explicitly or implicitly authorize DOT to promulgate rules to allow DOT to impose a duty to defend or indemnify the State upon private parties using state harbors.

Your Committee finds that this measure will address the need to provide DOT with explicit authority to impose duties on users of state airport facilities and thus reduce costly lawsuits against the State.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 99                    Transportation on H.B. No. 1518**

The purpose of this bill is to allow tow companies to conduct business in a manner similar to other businesses by permitting tow companies to assess applicable general excise taxes (GET) and county surcharges to fees already charged to the owner of a motor vehicle left unattended on property without the authorization of the owner or occupant of the property.

The Hawaii State Towing Association and Wai'alea Chevron and Tow Service testified in support of this bill. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs testified in opposition to this measure.

Currently, rates for towing vehicles under certain conditions are regulated by statute and companies engaged in this practice are not allowed to pass on the GET they are charged for operating their business. Your Committee finds that in all fairness, towing companies should be treated like other businesses and allowed to pass on the GET to its customers.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.  
(Representative Saiki voted no.)

**SCRep. 100                    Transportation on H.B. No. 877**

The purpose of this bill is to strengthen public safety and reduce impaired driving recidivism by allowing a person convicted of habitually operating a vehicle under the influence of an intoxicant to be released, under supervision, after completing a mandatory term of imprisonment, on condition that the defendant be monitored by using a transdermal alcohol monitoring device.

Mothers Against Drunk Driving HAWAII testified in support of this bill. The Department of Public Safety (DPS) and Office of the Public Defender testified in opposition to this measure.



Sadly, Hawaii has one of the nation's highest percentages of alcohol-related traffic fatalities. Although persons who habitually operate a vehicle under the influence of an intoxicant are already subject to license revocation and suspension, these methods are not always an effective means of deterring this type of behavior. Requiring the use of a transdermal alcohol monitoring device, which monitors and transmits data on an individual's alcohol levels via the sampling of perspiration to authorities for analysis, is a means of properly monitoring these individuals while not contributing to an already overcrowded prison system.

Your Committee recognizes that the initiation of this program as well as the monitoring of these individuals will cost money. Your Committee also understands the concern raised by DPS that it does not have jurisdiction over the placement of an individual on probation and that that responsibility lies with the Judiciary. Accordingly, your Committee has amended this bill by:

- (1) Clarifying that only the court may release an individual on supervision with the requirement that a transdermal alcohol monitoring device be used; and
- (2) Adding an appropriation section with an unspecified amount of moneys to fund the procurement of the transdermal alcohol monitoring devices and the monitoring of individuals wearing the devices.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 877, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 101            Transportation on H.B. No. 983**

The purpose of this bill is to enhance traffic safety, especially around Hawaii's schools by requiring the Director of Transportation to:

- (1) Conduct a statewide pupil travel evaluation, through the Safe Routes to School Coordinator, to study how students get to school;
- (2) Use the information gained from the evaluation from the Safe Routes to School Program to provide funds to each school for school-based workshops and community planning to reduce vehicular traffic and congestion around schools, encourage walking and bicycling to school, promote safety education, and improve safety for students driven to school;
- (3) Develop a streamlined application process for federal Safe Routes to School grants; and
- (4) Submit a report of the results of the statewide pupil travel evaluation and the school-based workshops and community-based planning projects funded by the Safe Routes to School Program to the Legislature.

The Hawaii Bicycling League, PATH-Peoples Advocacy for Trails Hawaii, Kauai PATH Inc., and a concerned individual testified in support of this bill. The Department of Transportation opposed this measure. The Department of Education and a concerned individual submitted comments.

Traffic congestion continues to increase around Hawaii's schools. This in turn causes parents, who worry about the safety of their children, to drive their children to school, causing even more congestion around schools and increasing safety risks for students. Evaluating the modes of transportation students currently use to get to school and conducting various workshops and community-based meetings to promote alternative methods of transportation to school will not only alleviate traffic congestion but increase student safety.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 102            Housing on H.B. No. 1406**

The purpose of this bill is to streamline the State's delivery of key human service programs by merging the functions and duties of the Office of Community Services (OCS) of the Department of Labor and Industrial Relations with those of the homeless programs branch of the Hawaii Public Housing Authority (HPHA), into a new Office of Homeless and Community Services, to be created within the Department of Human Services (DHS).

OCS, Hawaii County Economic Opportunity Council, and Catholic Charities Hawaii supported this bill. DHS and HPHA supported the intent of this measure. The State Procurement Office provided comments.

Your Committee has amended this bill by:

- (1) Deleting the exemption for provider agencies selected by the Office of Homeless and Community Services to administer homeless facilities or any other program for the homeless from the state procurement law for purchases of health and human services under chapter 103F, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1406, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 103            Energy & Environmental Protection/Economic Revitalization, Business, & Military Affairs on H.B. No. 1809**

The purpose of this measure is to encourage recycling of televisions in the State.

Specifically, this measure:

- (1) Requires television manufacturers to recycle covered televisions sold in the State, based upon a calculation that takes into account each manufacturer's market share of covered televisions and the total weight of all recycled covered televisions;
- (2) Requires television manufacturers to label covered televisions sold or offered for sale in the State with the manufacturer's name and brand, register with the Department of Health, pay registration fees, and file ongoing registration renewals;
- (3) Prohibits retailers from selling or offering for sale covered televisions in the State that are a brand of a manufacturer that is not registered with the Department of Health; and
- (4) Imposes penalties on television manufacturers and retailers for non-compliance with recycling and reporting requirements.

Your Committees received testimony in support of this measure from the Retail Merchants of Hawaii. Comments on this measure were submitted by the State Procurement Office, Office of Information Practices, Thomson, Inc., General Electric, and members of the Information Technology Industry Council's Environmental Leadership Council.

Your Committees find that a mandatory recycling program for televisions would have a significant impact on reducing the amount of solid waste in Hawaii's waste stream and landfills. Your Committees further find that more discussion should be devoted to clarifying the market share method of allocating recycling responsibility to television manufacturers.

Upon further consideration, your Committees have amended this measure by:

- (1) Amending the definition of "covered television" and deleting the definition of "television";
- (2) Amending section -2 to clarify the applicability of the measure and adding "covered entity" to the definitions;
- (3) Clarifying that a manufacturer's brand is to be permanently affixed to a covered television;
- (4) Requiring each television manufacturer to submit a plan to the department of health for operating its television recycling program;
- (5) Requiring penalties and fees collected to be deposited into the electronic device recycling fund;
- (6) Clarifying that financial and proprietary information submitted to the Department of Health is confidential to the extent permitted by chapter 92F;
- (7) Clarifying provisions relating to public procurement; and
- (8) Making other technical, clarifying, and conforming amendments.

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

Signed by all members of the Committee except Representatives Berg, Cabanilla, Evans, Luke, Tsuji, Wakai and Ching.

#### **SCRep. 104 Energy & Environmental Protection on H.B. No. 1271**

The purpose of this bill is to advance Hawaii's energy and food security initiatives by:

- (1) Establishing the Hawaii Energy and Food Security Authority (Authority) to address Hawaii's energy independence and food sustainability needs;
- (2) Making the executive director of the Authority the state Energy Resources Coordinator;
- (3) Eliminating the Agribusiness Development Corporation and state Program for Energy Planning and Conservation;
- (4) Renaming the Environmental Response Tax to the Environmental Response and Energy and Food Security Tax (Security Tax) to accommodate its greater scope of use under this bill; and
- (5) Increasing the tax per barrel of oil under the Security Tax, and allocating a portion of the tax for energy and food security uses.

The Hanalei Watershed Hui and a concerned individual testified in support of this bill. The Sierra Club, Hawaii Chapter and Blue Planet Foundation supported the intent of this measure. The Department of Business, Economic Development, and Tourism, Department of Agriculture, Department of Taxation, Agribusiness Development Corporation, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, and several concerned individuals opposed this bill. Tax Foundation of Hawaii provided comments.

While this bill takes bold steps to address Hawaii's energy and food security issues, its provisions may supplant or disrupt the existing functions of state agencies anticipating the receipt of federal funds for activities aimed at achieving the very goals of this bill. In light of this, your Committee finds that a more analytical and methodical approach to examining the structure, function, and effectiveness of existing programs and resources in the objective of energy and food security is the more prudent step to move forward.

Accordingly, your Committee has amended this bill by replacing its entire contents with provisions that:

- (1) Allocate the additional amount collected on the increased Security Tax as follows:
  - (A) 2.5 cents of the tax on each barrel to be deposited into the Energy Systems Development Special Fund; and
  - (B) An unspecified amount of the tax on each barrel to be used as provided by law;

- (2) Establish a Hawaii Energy and Food Security Task Force (Task Force) to plan, coordinate, and address energy and food security issues, and to report to the Legislature its findings and recommendations, including proposed legislation;
- (3) Appropriate funds from the Security Tax moneys deposited into the Energy Systems Development Special Fund, for the purposes of the Task Force; and
- (4) Change the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1271, H.D. 1, and be referred to the Committee on Agriculture.

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

**SCRep. 105 Consumer Protection & Commerce on H.B. No. 1414**

The purpose of this bill is to deter scrap metal theft by making permanent the provisions of Act 53, Session Laws of Hawaii (SLH) 2008, which established a misdemeanor offense for thefts of metal beer kegs and imposed additional documentation requirements for scrap dealer purchases of beer kegs.

Anheuser Busch Companies testified in support of this bill.

Act 53, SLH 2008, was passed in response to reports of metal beer kegs being stolen at escalating rates, largely because they could be redeemed for fast cash at scrap dealerships. By making the provisions of this law permanent, this measure will maintain ongoing efforts to deter another rising form of scrap metal theft.

Your Committee notes that H.B. No. 1030, 2009, is a similar bill that would make permanent the provisions of Act 197, SLH 2007, establishing theft of copper as a felony offense and imposing the aforementioned documentation requirements for scrap dealer purchases of copper. Given the shared goal of these two bills and the fact that they both affect expiring scrap dealer documentation requirements under 445-233, Hawaii Revised Statutes, your Committee respectfully requests the Committee on Judiciary to consider incorporating the provisions of H.B. No. 1030, 2009, into this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 106 Housing on H.B. No. 566**

The purpose of this bill is to prohibit the possession of any open liquor container on any public highway or sidewalk, or common area of a public housing project. In addition, this bill provides that possession of an open liquor container on a sidewalk or in the common area of a public housing project constitutes prima facie evidence that a person is consuming liquor.

The Hawaii Public Housing Authority supported this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 107 Housing on H.B. No. 1440**

The purpose of this bill is to simplify and shorten the currently lengthy and complex eviction process for public housing projects by:

- (1) Eliminating most procedural requirements preliminary to hearings for evictions of tenants of public housing projects; and
- (2) Providing that hearings officers appointed by the Hawaii Public Housing Authority (HPHA), instead of the eviction board, will conduct eviction hearings.

A concerned individual testified in support of this bill. HPHA supported the intent of this measure. The American Civil Liberties Union of Hawaii, Legal Aid Society of Hawaii, and a concerned individual opposed this bill.

Upon careful consideration and to ensure eviction procedures comply with federal law, your Committee has amended this bill by mandating that HPHA provide tenants who have been delinquent in payment of their rent with written notice in accordance with the requirements imposed under federal law, instead of at least 10 business days from the date of the delinquency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1440, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 108 Legislative Management on H.B. No. 196**

The purpose of this bill is to lower the threshold for the public disclosure of gifts received by legislators and appointed or elected employees. This bill requires the filing of gifts disclosure statements upon receipt of gifts valued in excess of \$100 from a single source rather than \$200.

The State Ethics Commission, The League of Women Voters of Hawaii, and Common Cause Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 196 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 109 Economic Revitalization, Business, & Military Affairs on H.B. No. 720**

The purpose of this bill is to support the family members of persons on or called to active military deployment by allowing an employee to use family leave to address family care, legal, and financial issues directly related to their family member's deployment.

The Department of Defense supported this bill. The Department of Labor and Industrial Relations, Retail Merchants of Hawaii, and Chamber of Commerce of Hawaii supported the intent of this bill. Testimony opposing this bill was received from the National Federation of Independent Businesses in Hawaii.

Your Committee has amended this bill to align its family leave coverage with that available under the federal Family and Medical Leave Act to family members of persons in the National Guard or Reserves, or of persons who are retired military service members called to active duty.

As amended, a family member of any person called to, or on active duty, is entitled to use family leave for "any qualifying exigency" which is defined by federal regulation to include activities such as military events, childcare and school activities, and counseling.

Your Committee changed the effective date of this measure to December 21, 2012. Due to the scheduled national removal of the military from Iraq in 2012 and an expectation of less deployment, your Committee expects that there will be fewer requests for military family leave at that time. In addition, it is also projected that by December, 2012, the economy will have grown and stabilized.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 720, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 720, H.D. 1, and be referred to the Committee on Labor and Public Employment.

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

**SCRep. 110 Economic Revitalization, Business, & Military Affairs on H.B. No. 1427**

The purpose of this bill is to protect employers who use professional employer organization (PEO) services and the employees of those employers, by establishing a new chapter regulating PEOs by among other things:

- (1) Requiring PEOs to register with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Requiring PEOs to make annual financial disclosures;
- (3) Defining the responsibilities of both the PEO and client; and
- (4) Providing tools for enforcement of the law.

The National Association of Professional employer Organizations, and ALTRES, Inc., testified in support of this measure. The DCCA Professional and Vocational Licensing Division commented on this bill.

PEOs are businesses that enable their clients to outsource the management of human resources, employee benefits, payroll, and workers' compensation. Currently, there is no comprehensive regulatory scheme applicable to PEOs under Hawaii law. Thus, this bill may trigger the requirement under section 26H-6, Hawaii Revised Statutes, that the Auditor conduct a sunrise review.

Your Committee respectfully requests the Committee on Consumer Protection and Commerce to which this bill is next referred, to examine the sunrise review issue, as well as whether this bill would include certified public accountants. To encourage further discussion of these and other issues, the bill's effective date has been changed to July 1, 2012. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1427, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 111 Economic Revitalization, Business, & Military Affairs on H.B. No. 1428**

The purpose of this bill is to increase support for small businesses under Chapter 201M, Hawaii Revised Statutes (the Small Business Regulatory Flexibility Act), by among other things:

- (1) Codifying the Small Business Bill of Rights within the chapter;
- (2) Giving the Small Business Regulatory Review Board (Board) the authority to determine whether a proposed rule affects small business;
- (3) Increasing Board membership from 11 to 13 members and removing the one-year limit on the chair's term; and
- (4) Allowing small businesses to file a petition with an agency to amend or repeal a rule when a rule is obsolete or more burdensome than other agency rules.

The Department of Business, Economic Development, and Tourism, Board, Chamber of Commerce of Hawaii, Hawaii Business League, and a concerned individual submitted testimony in support of this bill.

Your Committee finds that this bill will improve the Board's continuity and efficiency, help to educate small businesses concerning their rights, and increase the voice of small business in the rule making and rule revision process.

To encourage further discussion of this measure, your Committee has changed its effective date to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1428, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 112 Economic Revitalization, Business, & Military Affairs/Agriculture on H.B. No. 1682**

The purpose of this bill is to improve the State Enterprise Zones Program (Program) by:

- (1) Allowing limited liability companies to qualify for the Program;
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements;
- (3) Extending Program tax benefits for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products; and
- (4) Exempting from the general excise tax, the payment received by a contractor for performing construction work within the enterprise zone for a business that has been approved for enrollment in the Program.

The Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Crop Improvement Association, and United Fishing Agency, Ltd., supported this bill. The Department of Agriculture supported the intent of this measure. The Department of Taxation and Department of Business, Economic Development, and Tourism opposed this bill.

Your Committees find that the State must continue to support and stimulate economic growth in targeted sectors of our economy and, accordingly, has amended this bill to make all types of renewable energy production, not just wind energy, an eligible enterprise zone business activity. To encourage further discussion, the effective date of this measure has been changed to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1682, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1682, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

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

**SCRep. 113 Education on H.B. No. 11**

The purpose of this bill is to make clarifying amendments to the laws affecting the charter schools by:

- (1) Authorizing the Board of Education (BOE) to remove any member of the Charter School Review Panel (Panel) for cause;
- (2) Including in the definition of a charter school's organizational viability, compliance with BOE policies and Department of Education directives; and
- (3) Removing the requirement that BOE adopt rules for placing a charter school on probation and for revoking a charter.

BOE testified in support of this bill. The Charter School Administrative Office supported this measure with amendments. The Hawaii Charter Schools Network opposed this bill. Kamehameha Schools and a member of the Panel offered comments.

Your Committee has amended this bill by:

- (1) Removing as part of the definition of a charter school's organizational viability, compliance with BOE policies and Department of Education directives; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including deleting language in the purpose section.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 11, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 114 Education on H.B. No. 13**

The purpose of this bill is to afford the Board of Education (BOE) more flexibility in carrying out its responsibilities by allowing BOE to file any notice that specifies legislation or legislation-related agenda items, no fewer than two calendar days before a meeting during the legislative session or any special session of the legislature.

BOE testified in support of this bill. The Office of Information Practices offered comments.

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

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

**SCRep. 115 Education on H.B. No. 173**

The purpose of this bill is to afford the Department of Education (DOE) more flexibility in adjusting the prices of school meals in light of cost increases, by modifying the method by which the prices of school meals--which include both breakfast and lunch --are determined.

DOE testified in support of this bill.

Your Committee notes that suggestions were made that DOE consider alternative pricing schedules for school meals, such as those used by some schools around the nation.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 173 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 116 Education on H.B. No. 179**

The purpose of this bill is to make statute consistent with the transfer of responsibility for school facilities repair and maintenance from the Department of Accounting and General Services to the Department of Education (DOE) as provided through Act 51, Session Laws of Hawaii 2004, by:

- (1) Clarifying that air conditioners in schools may be installed by DOE; and
- (2) Transferring to DOE the responsibility for repair and maintenance of air conditioners equipment and fixtures donated to schools.

DOE testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 117 Education on H.B. No. 180**

The purpose of this bill is to remove the provision establishing the Performance Standards Review Commission.

The Department of Education testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 180 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 118 Education on H.B. No. 181**

The purpose of this bill is to expand the use of funds in the Federal Grants Search, Development, and Application Revolving Fund (Fund) to monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures. This bill also accordingly renames the Fund as the "Federal Grants Revolving Fund."

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 181 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 119 Education on H.B. No. 395**

The purpose of this bill is ensure continued support for the work of the Early Learning Council (ELC) toward developing the State's early learning system, by requiring any general fund appropriations designated for the State's early learning system that are unexpended or unencumbered by the end of the fiscal period specified in the appropriating Act to lapse into the Keiki First Steps Trust Fund.

The Department of Education, ELC, Hawaii Association for the Education of Young Children, Good Beginnings Alliance, and Kamehameha Schools testified in support of this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 395 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 120 Education/Labor & Public Employment on H.B. No. 174**

The purpose of this bill is to repeal the statutory provision relating to teacher salary ranges because teacher salary schedules are negotiated through collective bargaining.

The Department of Education testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 174 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 121 Education/Labor & Public Employment on H.B. No. 175**

The purpose of this bill is to repeal the statutory provision that provides teachers and educational officers of the Department of Education (DOE) with annual increments or longevity step increases, as salary increases and step movements are negotiated with teachers and educational officers through collective bargaining.

DOE and the Office of Collective Bargaining testified in support of this bill. The Hawaii State Teachers Association opposed this measure. The Department of Budget and Finance offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 175 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 122 Education/Labor & Public Employment on H.B. No. 177**

The purpose of this bill is to repeal the reference to demotion as an action that can be taken against a Department of Education (DOE) teacher, as DOE has no classification structure that would allow for demotion.

DOE testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 177 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 123 Education/Labor & Public Employment on H.B. No. 178**

The purpose of this bill is to repeal the statutory provision creating district business and fiscal officers within the Department of Education (DOE), as other DOE personnel already provide all the services required of district business and fiscal officers.

DOE testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 178 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 124 Education/Labor & Public Employment on H.B. No. 183**

The purpose of this bill is to support the operations of the Hawaii Teacher Standards Board (HTSB) by:

- (1) Allowing HTSB to determine the manner by which licensing fees are collected;
- (2) Returning to HTSB the power to adopt, amend, repeal, or suspend its policies and standards;
- (3) Making permanent HTSB's authority to temporarily suspend its rules in extenuating circumstances; and
- (4) Making permanent HTSB's authority to amend licensing-related fees and set or amend other charges related to the performance of HTSB's duties.

HTSB testified in support of this bill. A concerned individual offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 183 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 125 Education/Labor & Public Employment on H.B. No. 541**

The purpose of this bill is to ensure that the civil service benefits of Department of Education (DOE) civil service employees are the same as those provided to civil service employees of other executive branch agencies pursuant to Chapter 76, Hawaii Revised Statutes.

DOE and the Hawaii Government Employees' Association testified in support of this bill. The Department of Human Resources Development opposed this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 541 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 126 Education/Labor & Public Employment on H.B. No. 938**

The purpose of this bill is to change the employment period for cafeteria workers employed after July 1, 2009, from twelve to ten months.

DOE testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 938 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 127 Education/Labor & Public Employment on H.B. No. 184**

The purpose of this bill is to support the Teacher Education Coordinating Committee (TECC) in its work to strengthen the efforts of all teacher education institutions in Hawaii to prepare quality teachers for Hawaii's public schools. Specifically, this bill changes the membership of the TECC by, among other things, including a representative from each accredited state-approved teacher education program.

The Department of Education, Hawaii Teacher Standards Board, and University of Hawaii College of Education testified in support of this bill.

Your Committees have amended this bill by:

- (1) Changing "teacher education program" to "teacher education unit" to afford all units with state-approved teacher education programs representation on the TECC; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 184, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 184, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 128 Energy & Environmental Protection on H.B. No. 428**

The purpose of this bill is to promote the cleanup and reuse of contaminated properties by protecting bona fide prospective purchasers and contiguous landowners from liability under the Environmental Response Law.

The Department of Health and the Sierra Club submitted testimony in opposition to this bill.

Your Committee has amended this measure by replacing its contents with the contents of H.B. No. 1117. Both this bill and H.B. No. 1117 attempt to correct inconsistencies between state and federal brownfields liability protections to promote the safe and successful redevelopment of contaminated properties in Hawaii. Your Committee finds that the language in H.B. No. 1117 more consistently and accurately addresses these inconsistencies to further the bill's intended purpose. Technical, nonsubstantive amendments have been made to the inserted language for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 428, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 129 Energy & Environmental Protection on H.B. No. 370**

The purpose of this bill is to reduce from 2 cents to 1 cent per gallon, the Hawaii license tax on diesel used in electric power-generation by regulated power-generating facilities, to correct the inadvertent application of a 2007 liquid fuel tax increase to such diesel fuels.

The Kauai Island Utility Cooperative testified in support of this bill. The Department of Transportation submitted testimony in opposition to this measure. Your Committee received comments from the Tax Foundation of Hawaii.

Your Committee has amended this measure by adding a purpose section and making technical, nonsubstantive amendments for clarity and style.



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 370, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 130            Judiciary on H.B. No. 1016**

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees.

The Department of the Attorney General supported this bill.

Your Committee has amended this measure by:

- (1) Adding four newly resolved claims totaling an additional \$190,000, to be appropriated from the general fund;
- (2) Moving Section 3 and Section 4 to Part III, so that their effect relates to the entire bill; and
- (3) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1016, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 131            Transportation on H.B. No. 295**

The purpose of this bill is to improve the efficiency of the Administrative Driver's Licensing Revocation Office (ADLRO) by authorizing the administrator of the courts to permit:

- (1) Administrative license revocation hearings to be held in a county other than the county of arrest; and
- (2) Permit hearings by telephonic, video, or other electronic means.

The Judiciary testified in support of this bill.

Currently, ADLRO operations require almost daily inter-island travel to conduct administrative revocation hearings statewide. This is due to the fact that these hearings are required to be held at a place as close as practical to the location where the administrative revocation was issued. These daily commutes cost the ADLRO up to \$1,000 per week, making up the bulk of their operational expenditures. Allowing ADLRO the flexibility to choose a venue with the consent of the respondent or via telephonic, video, or other electronic means will result in cost savings for ADLRO.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 132            Transportation on H.B. No. 758**

The purpose of this bill is to increase the safety of Hawaii's highways by authorizing and setting forth procedures for impounding a motor vehicle after an individual has been fined:

- (1) Three or more times for operating a motor vehicle without a valid certificate of inspection; or
- (2) For operating a motor vehicle without being duly licensed, valid insurance card, or valid insurance policy.

Two concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this bill in part.

Numerous individuals are ticketed every year for expired safety checks, failure to have proof of insurance, driving an unregistered vehicle, or driving without a valid driver's license. Requiring that vehicles be impounded may help address the problems of uninsured motorists driving on Hawaii's roadways and drivers who fail to adhere to important safety requirements.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 133            Transportation on H.B. No. 923**

The purpose of this bill is to provide for greater efficiency in the movement of people through a public transit system by allowing larger articulated buses to operate on public roadways.

The Hawaii Hotel & Lodging Association, Soderholm Sales & Leasing, Inc., Hawaii Transportation Association, STAR of HONOLULU Tours and Events, Royal Star Hawaii Transportation, and Charley's Taxi testified in support of this bill. The Department of Transportation Services (DTS) of the City and County of Honolulu testified in opposition to this measure.

The use of mass transit has been growing in Hawaii over the past few years. While Honolulu has long had one of the best rated public transportation systems in the nation, the neighbor islands have only recently begun developing and using mass transit systems. Allowing for the use of larger articulated buses on public roadways will create greater capacity for the movement of people through these systems and hopefully relieve some traffic congestion.

While your Committee understands the concerns raised by DTS that the City and County of Honolulu may not be able to accommodate such large vehicles, the neighboring counties may be able to utilize such vehicles to their advantage. This legislation simply enables a public transit provider to use larger vehicles and does not require the use of these vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 923 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 134 Human Services on H.B. No. 1435**

The purpose of this bill is to:

- (1) Establish the Hawaii State Giving Campaign (Campaign) as the only authorized solicitation of employees in the state;
- (2) Delineate the coordination, procedures, and protocols for developing and implementing the Campaign; and
- (3) Appropriate funds for the Campaign's development and implementation.

The Native Hawaiian Hospitality Association, Association of Hawaiian Civic Clubs, and several concerned individuals testified in support of this bill. The Department of Human Resources Development and Hawaii Food Bank testified in opposition to this measure.

The Hawaii Food Bank serves approximately 130,000 different individuals every year, distributing nearly nine million pounds of food through 250 charitable agencies, including those conducting feeding programs for children and the elderly, homeless and abuse shelters, rehabilitation centers and soup kitchens.

The Hawaii Food Bank raised concerns in their testimony that should this measure pass, they stand to lose \$150,000 and 90,000 pounds of food annually. They further specified that State employees continue to be the largest and most enthusiastic coalition of contributors with contributions comprising approximately 20 percent of their annual food drive goal. In addition, the food collected from State departments during the food drive represents the best quality the Hawaii Food Bank has in their warehouse.

Your Committee acknowledges and honors the indispensable role that state-wide charitable food distributors play in ensuring that the state's most vulnerable populations are provided with healthy, nourishing meals during times of economic difficulty and social and emotional stress.

Accordingly, your Committee has amended this bill by:

- (1) Exempting state-wide charitable food distributors from the provisions set forth in the proposed chapter;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1435, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 135 Human Services on H.B. No. 1788**

The purpose of this bill is to require the Family Court to provide relevant information to the Department of Public Safety (PSD) for any statewide victim information and notification program.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, and several concerned individuals testified in support of this bill. The Judiciary and PSD provided comments.

Your Committee notes that according to testimony by PSD, a victim information and notification program has been developed and is in the process of implementation using federal funds. Your Committee emphasizes that this valuable program will have a financial impact on the State in the coming years, most likely to begin with fiscal year 2010.

Upon consideration, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1788, H.D. 1, and be referred to the Committee on Public Safety.

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

**SCRep. 136 Human Services on H.B. No. 600**

The purpose of this measure is to reduce fraud committed in connection with the receipt of public assistance benefits from the Department of Human Services:

More specifically, the measure:

- (1) Establishes a program to reward individuals who report persons who have committed fraud in obtaining assistance from certain Department of Human Services programs;
- (2) Increases the penalties for committing fraud while receiving public assistance; and
- (3) Appropriates funds for the reward program.

Under present law, there is no program to encourage individuals to report fraudulent acts committed by persons receiving assistance from the Department of Human Services. This bill establishes a program to issue monetary awards when a person is convicted and ordered to make restitution to the State.

Current law also provides that an individual who wilfully fails to report a reduced need for public assistance is guilty of a petty misdemeanor. This bill increases the penalty by making that conduct a misdemeanor, provided that a recipient who fraudulently obtains more than \$300 in public assistance is guilty of a class C felony, and a recipient who fraudulently obtains more than \$20,000 is guilty of a class B felony.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 600 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 137 Human Services on H.B. No. 1094**

The purpose of this bill is to ensure compliance with federal Title IV-E hearing requirements by amending Chapter 587, Hawaii Revised Statutes, to:

- (1) Require a permanency hearing within 12 months of a child's of entry into out-of-home care, or 30 dates after the court determines the child is an abandoned infant or that efforts to reunify the child and family are not required;
- (2) Require that the status of the child shall be reviewed at least every 12 months thereafter;
- (3) Stipulate the duties of the court during permanency hearings; and
- (4) Conform existing law to the new statutory material.

The Department of Human Services testified in support of this bill. The Judiciary testified in opposition to this measure.

Your Committee acknowledges the Judiciary's testimony, that although the federal representative to the Child and Family Services Review process believes that there is a problem which may lead to the potential loss of federal Title IV-E monies, the Judiciary is deeply concerned about amending the statute before the interested stakeholders have had an opportunity to collaborate on a solution. The Judiciary stated that after a review of the current federal statute, there is reason to believe that there is no urgent need to pass an amendment.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1094 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 138 Human Services on H.B. No. 873**

The purpose of this bill is to add a new part to chapter 587, Hawaii Revised Statutes, the Child Protective Act, to:

- (1) Require a law enforcement office to notify the Department of Human Services (DHS) whenever substantial evidence exists that a child witnessed a domestic violence incident; and
- (2) Require DHS to collaborate with relevant agencies and organizations to develop protocols for this procedure.

Several concerned individuals testified in support of this bill. DHS and Hawaii State Coalition Against Domestic Violence testified in opposition to this measure.

Your Committee finds that as economic difficulties increase, so too do incidents of domestic violence. In such cases, it is often imperative that victims obtain a temporary restraining order, particularly in cases involving a child witness. It is with this in mind that your Committee has chosen to add an appropriation to assist victims of domestic violence in obtaining temporary restraining orders.

Your Committee notes for reference purposes that Hawaii Family Law Clinic dba Ala Kuola, is an example of an agency DHS may collaborate with to assist victims of domestic violence to obtain temporary restraining orders.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 873, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 139 Human Services on H.B. No. 333**

The purpose of this bill is to:

- (1) Create a state earned income tax credit initially funded with TANF funds; and
- (2) Restrict the interest charged by tax preparers to clients who claim the earned income tax credit.

The Hawaii Alliance for Community Based Economic Development testified in support of this bill. The Department of Taxation and Department of Human Services provided comments.

Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2050 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 140 Agriculture on H.B. No. 1434**

The purpose of this bill is to support Hawaii's agricultural industry and educate students on nutrition and the value of buying and eating local food by directing the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR), in cooperation with the Department of Agriculture (DOA) and the Hawaii Farm Bureau Federation (HFBF), to study the feasibility of establishing a farm-to-school program in Hawaii's public schools.

A concerned individual supported this bill. The University of Hawaii, UH-CTAHR, and HFBF supported the intent of this measure. DOA submitted comments.

Your Committee notes that this bill complements several other measures relating to food safety, food security, and local agriculture that are also being considered during this legislative session. In the face of increasing concerns and public awareness on the issue of how best to support local agriculture and encourage food self-sufficiency, this bill represents another step towards meeting these challenges. The development of a statewide farm-to-school program will also align our state with the goals and objectives of the National Farm to School program.

However, your Committee recognizes several concerns that were raised during the public hearing for this measure. Concerns were raised by DOA and UH-CTAHR regarding the availability of funding for the feasibility study, given the current fiscal challenges facing the state. In addition, the inclusion of the Department of Education (DOE) should be considered, as the DOE's school lunch program, procurement practices, and educational curriculum may be impacted by a Hawaii farm-to-school program. Finally, HFBF submitted testimony indicating that some farm-to-school initiatives have already been implemented by local organizations on a smaller scale, and recommended that the Legislature, in lieu of a feasibility study, establish a statewide policy statement supporting a Hawaii farm-to-school program. Your Committee supports future legislative efforts to address these concerns.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434 and recommends that it pass Second Reading and be referred to the Committees on Education and Higher Education.

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

**SCRep. 141 Legislative Management on H.B. No. 855**

The purpose of this bill is to allow the State Ethics Commission (Commission) additional time to destroy old financial disclosure statements. Currently, the law requires the Commission to destroy these statements upon the expiration of a six-year retention period following the date when a filer leaves a state position. This bill provides the Commission with an additional year following the retention period to destroy the statements.

The Commission and The League of Women Voters of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 142 Labor & Public Employment on H.B. No. 319**

The purpose of this bill is to increase awareness of workers about their employment rights by requiring employers to notify employees annually, in writing, of their entitlement to family leave, as well as the possible adverse impact of taking family leave.

The ILWU Local 142, Policy Advisory Board for Elder Affairs, and two concerned individuals testified in support of this bill. The Society for Human Resource Management Hawaii and Retail Merchants of Hawaii testified in opposition to this measure. The Chamber of Commerce of Hawaii did not support this bill. The Department of Labor and Industrial Relations (DLIR) submitted comments.

Your Committee finds that as Hawaii's population ages, more members of Hawaii's workforce may be tasked with family care giving. Oftentimes, employees must take family leave to provide care for their family member. Knowing what is available to them in terms of leave benefits will allow an employee to plan ahead on how to use such leave should this need arise.

While your Committee understands the concerns raised by DLIR regarding the annual notification by employers contained in this bill and the relationship this measure may have with other posting requirements required by other statutes, your Committee finds that these matters can be addressed as the bill proceeds through the legislative process and that this bill deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 319 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee.

**SCRep. 143 Labor & Public Employment on H.B. No. 952**

The purpose of this bill is to protect an employee's right to organize and allow both public and private sector employees easier access to union representation by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board to certify an exclusive representative if a majority of the employees in a unit not currently represented has signed valid authorizations designating a bargaining representative, instead of doing so through an election process; and
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative.

The Hawaii Government Employees Association; the International Brotherhood of Electrical Workers; the Laborers' International Union of North America Local 368; the Hawaii Teamsters and Allied Workers, Local 996; the International Brotherhood of Electrical Workers, Local 1260; the Hawaii Building and Construction Trades Council, AFL-CIO; the Hawaii State AFL-CIO; the Hawaii Ports Maritime Council; the Screen Actors Guild Hawaii Branch; the ILWU Local 142; Pride At Work Hawaii; American Income Life Insurance Company; the Chair of the Hawaii Democratic Party; the Boilermakers Union Local 627; and the Ironworkers Stabilization Fund Local 625 testified in support of this bill.

The Department of Labor and Industrial Relations; the Department of Agriculture; the Kauai Chamber of Commerce; the Hawaii Bar Owners Association; the Hawaii Hotel & Lodging Association; Retail Merchants of Hawaii; the Hawaii Crop Improvement Association; the National Federation of Independent Business; Hawaii Farm Bureau Federation; Hawaii Foodservice Alliance LLC; The Chamber of Commerce of Hawaii; the Society for Human Resource Management; The Alliance for Worker Freedom; Monsanto Hawaii; Highway Inn Inc.; the Hawaii Agriculture Research Center; Tanaka of Tokyo Restaurants Ltd, Corporate Offices; Tanaka of Tokyo Restaurants Ltd., Central; Tanaka of Tokyo Restaurants Ltd., East; Aston Hotels & Resorts, LLC; Associated Builders and Contractors Hawaii; REI Food Service, LLC d.b.a. Gyotaku Japanese Restaurants; Hamakua Macadamia Nut Company; The Gas Company; Duke's Waikiki; Palama Holdings LLC; Palama Meat Company; H&W Food Service; the Waikalua Beach Marriott; Outrigger Hotels; Honolulu Tavern; Legends Inc.; KDI Investment Inc.; The Hawaii Automobile Dealers Association; Kona Brewing Company; the Alliance for Worker Freedom; and numerous individuals testified in opposition to this measure.

The Department of the Attorney General (AG) commented on this bill.

Historically, the unionization of workers has resulted in increased wages, the lessening of race and gender pay gaps, decreased workplace discrimination, and increases in job safety standards. These changes not only affect unionized workers but have had a positive effect for all working people.

Although many employees have been allowed to legally exercise their right to organize, some employers still attempt to deny workers the freedom to form a union. This measure attempts to provide workers seeking to organize a more level playing field by streamlining the union certification process and enabling workers to form unions when a majority of the workers sign union authorization cards.

However, your Committee understands the concerns raised by the AG that conflicts may exist between the conciliation and arbitration requirements established in this measure and current statutory requirements. Nevertheless, your Committee finds that these issues can be resolved as this bill proceeds through the legislative process and that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 952 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee.

**SCRep. 144 Labor & Public Employment on H.B. No. 849**

The purpose of this bill is to change the representation on the Board of Trustees of the Employees' Retirement System (Board) to more adequately reflect the employers associated with the Employees' Retirement System (ERS) by:

- (1) Increasing Board membership from eight to 12 members; and
- (2) Stipulating that the four additional members be composed of the directors of finance of the City and County of Honolulu and the counties of Maui, Hawaii, and Kauai.

The Mayor of the County of Hawaii, Hawaii Council of Mayors, Director of Finance for the County of Kauai, and Director of Finance for the County of Maui testified in support of this bill. The Hawaii State Teachers Association, Hawaii Firefighters Association, and a concerned individual testified in opposition to this measure. The Board submitted comments.

Although the current representation on the Board is established in such a way to ensure that a balance exists between members representing the interests of both public employers and employees, current Board membership lacks county representation. As counties contribute a considerable share to the ERS costs and their employees and retirees make up a large portion of the ERS membership, it seems only fair that some form of county representation be established on the Board.

However, while your Committee agrees that the membership of the Board should be adjusted to provide for greater county representation, the addition of four members to the Board, who represent each of the four counties, and in essence the public employers, skews the balance on the Board in favor of the public employer. Accordingly, your Committee has amended this measure by:

- (1) Deleting language increasing Board membership from eight to 12 members;
- (2) Changing the composition of the Board by:
  - (A) Decreasing from three to two the number of Board members who are citizens of the State and not public employees; and
  - (B) Including a Board member appointed by the Hawaii Council of Mayors to represent the counties;
 and
- (3) Establishing the term of office for the Board member appointed by the Hawaii Council of Mayors.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 145            Labor & Public Employment on H.B. No. 850**

The purpose of this bill is to change the membership of the Board of Trustees of the Employer-Union Health Benefits Trust Fund (Board) to more adequately reflect the employers associated with the Employer-Union Health Benefits Trust Fund (EUTF) by requiring four of the five seats on the Board allocated to public employers to be occupied by the directors of finance of the City and County of Honolulu and the counties of Maui, Hawaii, and Kauai.

The Mayor of the County of Hawaii, Hawaii Council of Mayors, Director of Finance for the County of Kauai, Director of Finance for the County of Maui, and the Hawaii Government Employees Association testified in support of this bill. The Department of Budget and Finance, Department of Human Resources Development, and two concerned individuals testified in opposition to this measure.

Although the current representation on the Board is established in such a way to ensure that a balance exists between members representing the interests of both public employers and employees, current Board membership lacks county representation. As counties contribute a considerable share to EUTF costs and their employees and retirees are members of the EUTF, it seems only fair that some form of county representation be established on the Board.

However, while your Committee agrees that the membership of the Board should be adjusted to provide for greater county representation, the requirement that four of the five employer representatives of the Board represent county interests heavily weighs the Board in favor of the counties. Accordingly, your Committee has amended this measure by:

- (1) Deleting language requiring that four of the five seats on the Board allocated to public employers be occupied by the county directors of finance; and
- (2) Inserting language requiring that one of the five seats on the Board allocated to public employers be occupied by a member appointed by the Hawaii Council of Mayors to represent the counties' interest.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 850, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 146            Judiciary on H.B. No. 290**

The purpose of this bill is to satisfy state constitutional requirements that the Legislature provide operating expenses for the Judicial Selection Commission (Commission) through a separate budget. This bill appropriates \$100,000 to the Commission for each fiscal year of fiscal biennium 2009-2011.

Your Committee finds that in the past, the appropriations for the Commission were included in the Judiciary's budget.

The Commission, Department of the Attorney General, and The League of Women Voters of Hawaii testified in support of this measure.

Your Committee defers to the Committee on Finance to determine the appropriate amount for this bill. Therefore, your Committee has:

- (1) Deleted the dollar amount of the appropriations in this bill to promote further discussion; and
- (2) Made technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 290, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 147 Human Services/Health on H.B. No. 1567**

The purpose of this measure is to create tax incentives for the development of skilled nursing facilities.

The measure accomplishes this purpose by amending the state enterprise zone law by:

- (1) Effective January 1, 2010, treating each new skilled nursing facility or facility expanding its operations outside an enterprise zone as operating within an enterprise zone for purposes of eligibility to receive all benefits provided to businesses in enterprise zones;
- (2) Adding a definition of a "skilled nursing facility"; and
- (3) Amending the definition of "medical and health care services".

Testimony in opposition to this measure was submitted by the Department of Business, Economic Development, and Tourism.

Testimony in support of this measure was submitted by Avalon Health, Inc.

Your Committee finds that there is great unmet need for skilled nursing facilities. This measure would provide much needed incentives for the development of new skilled nursing facilities and the expansion of existing operations, benefitting the health, safety, and welfare of the people of the State.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1567 and recommend that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 148 Human Services/Health on H.B. No. 707**

The purpose of this measure is to appropriate funds for the Auditor to conduct a financial audit of all federal funds designated for health care and received by the Department of Human Services.

Testimony in support of this bill was received from Hawaii Pacific Health. Testimony in opposition to the measure was received from the Department of Human Services. The Department stated that its opposition is based upon the State's current fiscal situation although it supports the intent of the measure.

Your Committees find that the State's current fiscal situation makes it particularly critical to ensure that precious federal dollars are being used for the purposes intended and subject to appropriate controls.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 707 and recommend that it pass Second Reading and be referred to the Committee on Legislative Management.

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

**SCRep. 149 Human Services/Health on H.B. No. 1525**

The purpose of this bill is to require the Department of Human Services (DHS) to restrict medicaid contract awards solely to nonprofit insurance entities.

The Waianae Coast Comprehensive Health Center, Hawaii Primary Care Association, Kokua Kalihi Valley, Community Clinic of Maui, and Faith Action for Community Equity testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA), State Procurement Office, DHS, Summerlin Life and Health, Evercare, MDX Hawaii, and the 'Ohana Health Plan testified in opposition to this measure. The State Council on Developmental Disabilities (Council) provided comments.

Your Committees note that DCCA testified that it would be concerned with any measure that creates a special franchise of some insurers over others because it interferes with the kind of free and open competition that can benefit consumers.

Similarly, the Council testified that the proposed language in this measure appears to be too broad and could be interpreted to include contracts between DHS and service providers for the Medicaid Home and Community Based Services waiver programs.

Your Committees on Human Services and Health are concerned that this may prohibit for-profit health insurance companies in good standing currently doing business in Hawaii from continuing their existing medicaid contracts or competing for such contracts in the future.

For these reasons, your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1525, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1525, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 150 Human Services on H.B. No. 1102**

The purpose of this bill is to require the Office of Youth Services of the Department of Human Services (OYS) to conduct child abuse record checks on all current and new facility staff members.

OYS testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1102 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 151 Labor & Public Employment on H.B. No. 1130**

The purpose of this bill is to:

- (1) Allow the Department of Labor and Industrial Relations (DLIR) to set re-inspection frequencies up to three years for boilers, pressure systems, amusement rides, elevators, and kindred equipment based on factors relevant to the safe operation of the equipment rather than based on time;
- (2) Providing DLIR with, in addition to the right to question, the right to obtain records and documents of any employer, owner, operator, agent, or employee in investigation, enforcement, and inspection activities;
- (3) Inserting language stipulating that DLIR may prohibit the use of boilers, pressure systems, amusement rides, or elevators and kindred equipment, or any practice, means, method, operation, or process employed or used if, in the opinion of DLIR, the condition or operation of such equipment or practice constitutes an imminent hazard to the life or safety of any person rather than simply being unsafe or not properly guarded;
- (4) Deleting language allowing DLIR to apply to the circuit court of the circuit in which boilers, pressure systems, amusement rides, or elevators and kindred equipment are situated or a practice, means, method, operation or process of this equipment is employed, for an injunction restraining the use or operation of the equipment until it is made safe when DLIR is of the opinion that these constitute an imminent hazard to the life or safety of any person, or to property; and
- (5) Inserting language providing DLIR with the right to initiate necessary legal proceedings in the circuit court of the circuit in which a boiler, pressure system, amusement ride, or elevator and kindred equipment is situated for an injunction where a condition or practice involving this equipment could reasonably be expected to cause death or serious physical harm.

DLIR testified in support of this bill. The International Union of Elevator Constructors, Local 126, testified in opposition to this measure. A concerned individual submitted comments.

Currently, the law requires that re-inspections for renewals of permits to operate equipment such as boilers, elevators, pressure systems, and amusement rides not exceed one year. However, it has been difficult for DLIR to maintain this schedule due to a shortage of inspectors. Although accidents still occur, these types of devices and equipment have been made safer over the years.

However, your Committee finds that the frequency of inspections should not simply be based upon a particular timeframe but rather on a set of established standards. Doing so will ensure the safety of the equipment being used and the people using this equipment.

Your Committee has amended this bill by:

- (1) Stipulating that criteria for the reinspection and renewal of a permit shall be based upon the American Society of Mechanical Engineers standards contained in ASME A17.1-2000 Section 8.6 rather than simply establishing a three year re-inspection period;
- (2) Reinserting language stipulating that DLIR may prohibit the use of boilers, pressure systems, amusement rides, or elevators and kindred equipment, or any practice, means, method, operation, or process employed or used if, in the opinion of DLIR, the condition or operation of such equipment or practice is unsafe or not properly guarded, rather than constituting an imminent hazard to the life or safety of any person; and
- (3) Reinserting language allowing DLIR to apply to the circuit court of the circuit in which boilers, pressure systems, amusement rides, or elevators and kindred equipment are situated or a practice, means, method, operation or process of this equipment is employed, for an injunction restraining the use or operation of the equipment until it is made safe when DLIR is of the opinion that these constitute an imminent hazard to the life or safety of any person, or to property.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1130, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 152 Labor & Public Employment on H.B. No. 442**

The purpose of this bill is to increase the efficiency of the Labor and Industrial Relations Appeals Board (LIRAB) and expedite hearings on certain workers' compensation cases by allowing LIRAB to use hearings officers who may propose a decision and order for review and approval by the full appeals board.

The Department of Labor and Industrial Relations (DLIR) and LIRAB testified in support of this bill.

LIRAB is tasked with deciding appeals from decisions and orders rendered by the Director of DLIR that are issued under the Hawaii's Workers' Compensation Law. While the number of cases has decreased over the last several years, a backlog continues to exist due in part to the length of time many appeals take. As a result, the determination of the reasonableness and necessity of a particular treatment plan may not be made until a year after the plan was



recommended. This leads to delays in the treatment of a patient. By allowing a hearings officer to conduct certain types of cases, the process can be made more efficient resulting in a win-win situation for all parties.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 442 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 153            Agriculture on H.B. No. 237**

The purpose of this bill is to support the macadamia nut industry in Hawaii by requiring the Department of Agriculture (DOA) to conduct a marketing study of the industry, including the appropriate structure and purpose of a Hawaii macadamia nut commission.

The Hawaii Farm Bureau Federation and ILWU Local 142 supported this bill. DOA submitted comments.

Upon further consideration, your Committee has amended this measure by deleting specific references to a "marketing" study to clarify the broader scope of the study. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 237, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 154            Judiciary on H.B. No. 615**

The purpose of this bill is to prevent individuals from being harassed by those using innovative forms of technology by extending the offense of harassment to include any form of digital communication.

Several individuals testified in support of this measure. The City and County of Honolulu Department of the Prosecuting Attorney also supported this bill with amendments. The Office of the Public Defender offered comments.

Your Committee has amended this bill by broadening the form of technology to include any form of "electronic communication" instead of "digital communication". As defined in section 711-1111(2), Hawaii Revised Statutes, "electronic communication" means: "...any transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or part by a wire, radio, electromagnetic, photoelectronic, or photo-optical system."

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 615, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 155            Judiciary on H.B. No. 622**

The purpose of this bill is to prevent individuals from being harassed by those using innovative forms of technology by extending the offense of harassment by stalking to include any form of digital communication.

Three individuals testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney also supported this bill with amendments. The Office of the Public Defender offered comments.

Your Committee has amended this bill by broadening the form of technology to include any form of "electronic communication" instead of "digital communication". As defined in section 711-1111(2), Hawaii Revised Statutes, "electronic communication" means: "...any transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or part by a wire, radio, electromagnetic, photoelectronic, or photo-optical system."

Technical, nonsubstantive amendments to the bill have also been made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 622, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 156            Judiciary on H.B. No. 293**

The purpose of this bill is to expand the eligibility of individuals who can have a court-appointed conservator manage their property and business affairs.

Currently, the court can only name conservators to assist individuals who are unable to manage their property and business affairs due to an impairment in their ability to receive and evaluate information or to make or communicate decisions. However, there are individuals with physical, mental, or health impairments who may want and would benefit from the assistance of a conservator. This bill restores prior statutory language to allow individuals with these impairments to benefit from a protective arrangement provided by a conservator.

The attorney members of the Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii testified in support of this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 293, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 157            Judiciary on H.B. No. 444**

The purpose of this bill is to statutorily establish civil unions for same-sex couples and provide partners to a civil union with the same rights, benefits, and responsibilities granted to spouses in a marriage.

A member of the Board of Education, the Democratic Party of Hawaii, Hawaii State AFL-CIO, Hawaii Government Employees Association, Hui O Mana Ka Pu'uwai Outrigger Canoe Club, TriKauai Triathalons, Holy Innocents Episcopal Church, Planned Parenthood of Hawaii, "I Do" Weddings, Profile Video Productions, Kauai Island Weddings, Screen Actors Guild Hawaii Branch, First Unitarian Church of Honolulu, Family Equality Coalition, Interfaith Alliance Hawaii, Waikiki Neighborhood Board, National Association of Social Workers - Hawaii, Legislative Committee of the Democratic Party of Hawaii, Gregory House Programs, League of Women Voters of Hawaii, Pride Hilo, Progressive Democrats of Hawaii, Children of Lesbians and Gays Everywhere, Da Moms, Kauai Wedding Professional Association, Japanese American Citizens League – Honolulu Chapter, Hawaii Friends of Civil Rights, Life Foundation, Americans for Democratic Action/Hawaii, Hawaii Women's Political Caucus, PFLAG – Oahu, American Friends Service Committee, Filipino American Citizens League, League of Women Voters of Hawaii, American Civil Liberties Union of Hawaii, Nursing Advocates & Mentors, Inc., Pride At Work Hawaii, Hawaii State Democratic Women's Caucus, Hawaii HIV/AIDS Community Planning Group – Steering Committee, University of Hawaii Professional Assembly, Advocates For Consumer Rights, GLBT Caucus of the Democratic Party, and a multitude of concerned individuals supported this bill.

The Office of the Lieutenant Governor, Hawaii Family Forum, Christian Voice of Hawaii, Hawaii Christian Coalition, Pro-Family Hawaii, Beth Israel Ministries, Good News Jail & Prison Ministry, Christians in Real Estate, ACTS Foundation, Fiction Readers, Grace 4U Ministries, Fishnet Ministries, Brother Ben Prison Ministries, River of Life Mission, SADAKA International Dance Company, Island Women Restore Lives, Victory Ohana Prison Ministries, Sons of Issacar, Christ Centered Consulting, Market Place Ministries, Youth Vision, Christian Voice of Hawaii, International Dance Academy, The Open Door Academy, Windward Spouse Abuse Shelter, Ho'olohoe Pono, Heart Light Ministries, Mercy Ministries International, Shelter of Wisdom, It's All His, It's All God's Ministry, Surfing the Nation, Dads Against Drugs, A2 Media, Hawaii Helps Disabilities, Waikiki Beach Outreach, HE Reigns Christian Network, and numerous concerned individuals opposed this measure.

Several concerned individuals provided comments.

By establishing the status of civil unions for same-sex couples in our state, it is not your Committee's intent to revise the definition or eligibility requirements of marriage under Chapter 572, Hawaii Revised Statutes (HRS).

The status of civil unions proposed in this bill conveys rights, benefits, and responsibilities to both partners of a committed couple who wish to take the legal steps necessary to formalize their relationship. Your Committee finds that the promotion of stable, committed relationships in which private citizens are legally obligated to look after each other's best interests and affairs serves an important public policy, and that if more private citizens are legally obligated to look after each other's well-being, government may be able to direct its efforts in such areas as health and human services in a more focused and efficient manner.

Your Committee notes that this measure does not require or allow a same-sex marriage recognized in another state to be recognized as a marriage in this state, nor does it require a person licensed to perform marriages in this state, whether clergy or not, to undertake solemnization of a civil union.

Your Committee notes its intent that, by automatic operation of law, application of this measure to section 572C-7(c), HRS, would result in the termination of a reciprocal beneficiary relationship upon application by a party thereto for a license to enter into a civil union. The act of application for a license to enter into a civil union, therefore, would result in the eligibility of persons who are party to a reciprocal beneficiary relationship to apply for a license for civil unions without further procedures, assuming that all of the other criteria in section -2 of the proposed new chapter are met.

Some supporters of this measure have expressed concern that section 3 of this measure, which elaborates on the extent to which marriage rights apply to civil unions, may not comprehensively address all issues relating to the protection and benefits afforded to children of same-sex couples. Although your Committee did not intend any omission in that respect, and intends that the language of the measure as currently drafted comprehensively addresses these concerns, your Committee encourages further examination of such issues.

Your Committee has amended this measure by:

- (1) Clarifying that individuals may not simultaneously be parties in a reciprocal beneficiary relationship under Chapter 572C, HRS, and partners to a civil union;
- (2) Adding the term "guardian" to provisions regarding conservatorship; and
- (3) Making various technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 444, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Mizuno and Wakai.

**SCRep. 158            Public Safety on H.B. No. 969**

The purpose of this bill is to direct the Auditor to perform an audit of:

- (1) Private prisons housing Hawaii prisoners at Red Rock Correctional Center, Saguario Correctional Center, and Otter Creek Correctional Center in the delivery of services and visitation; and
- (2) The Department of Public Safety's (PSD) monitoring of these contracts,

to ensure that Hawaii prisoners serving their sentences in Corrections Corporation of America facilities are receiving appropriate services.

The Hawaii Government Employees Association; Drug Policy Forum; Community Alliance on Prisons; Hepatitis Prevention, Education, Treatment & Support Network of Hawaii Prisoner Reintegration and Family Reunification Program; American Civil Liberties Union of Hawaii; and several concerned individuals supported this bill. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 969 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

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

**SCRep. 159 Public Safety on H.B. No. 409**

The purpose of this bill is to:

- (1) Require correctional facilities, including private or out-of-state, that contract with the Department of Public Safety (PSD) to contractually agree to cooperate and participate in any investigation by the Office of the Ombudsman (Ombudsman);
- (1) Specify that the Ombudsman has the authority to investigate facilities that hold inmates from Hawaii;
- (2) Require out-of-state correctional facilities having custody over committed felons transferred from the Hawaii State Correctional System to cooperate fully with Ombudsman investigations; and
- (3) Appropriate funds to the Ombudsman to investigate contracted facilities.

The American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this bill. PSD opposed this measure. The Ombudsman offered comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 409 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

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

**SCRep. 160 Public Safety on H.B. No. 410**

The purpose of this bill is to assist the State in determining the most effective and efficient means of spending its resources on corrections by requiring a correctional impact statement to be attached to any bill that proposes a change in the law that will:

- (1) Create a new offense;
- (2) Significantly change an existing offense or the penalty for an existing offense; or
- (3) Change existing sentencing, parole, or probation procedures.

The Hawaii Government Employees Association, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, Drug Policy Forum, African American Lawyers Association, and a concerned individual testified in support of this bill. The Department of Public Safety and Hawaii Paroling authority submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 410 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

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

**SCRep. 161 Water, Land, & Ocean Resources on H.B. No. 1492**

The purpose of this bill is to appropriate funds to the University of Hawaii (UH) School of Ocean and Earth Science and Technology to conduct a two-year study on terminating, mitigating, and reversing beach erosion at Kailua Beach on Oahu. This bill also requires interim and final reports to be submitted to the Legislature, Governor, and Mayor of the City and County of Honolulu prior to the 2010 and 2011 regular sessions, respectively.

The Kailua Neighborhood Board testified in support of this bill. The UH Sea Grant College Program supported this measure with amendments. Several concerned individuals provided comments.

Your Committee finds that an existing study of Kailua Beach, funded by the Department of Land and Natural Resources, is being conducted by the UH School of Ocean and Earth Science and Technology, Sea Grant College Program. The study is designed to produce place-based management recommendations for ensuring conservation at Kailua Beach during the twenty-first century, with the goal of defining new and better management strategies for Kailua Beach and creating a template for place-based management on other beaches in Hawaii.

Accordingly, your Committee has amended this bill by clarifying that the funding provided in this bill is to augment the currently underfunded study on Kailua Beach being conducted by the UH Sea Grant College Program.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1492, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 162 Water, Land, & Ocean Resources on H.B. No. 1830**

The purpose of this bill is to improve efficiency in the Bureau of Conveyances (Bureau) by making changes to the recording system for fee simple time share interests, which currently burden the workload of the Bureau. Specifically, this bill:

- (1) Deregisters fee simple time share interests from the land court system (Torrens) by transferring fee simple time share interests from the land court to the Bureau; and
- (2) Establishes a pilot program to implement electronic recording of fee simple time share interests.

The Hawaii Association of REALTORS, Wyndham Worldwide, American Resort Development Association-Hawaii, PAHIO Development, Inc., and Marriot Vacation Club International, Inc., testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. A concerned individual opposed this bill. The Hawaii Information Consortium, LLC, provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1830 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 163 Water, Land, & Ocean Resources on H.B. No. 1138**

The purpose of this bill is to provide the Bureau of Conveyances (Bureau) the means to more efficiently process the recordation of documents, including returning the original document to the appropriate party, by authorizing the Bureau to:

- (1) Accept electronic copies of plans, maps, and other documents for filing;
- (2) Furnish copies of instruments and documents in photographic, electronic, or electrostatic form; and
- (3) Convert into electronic form information or documents that were recorded prior to the effective date of this Act.

The Department of Land and Natural Resources testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1138 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 164 Water, Land, & Ocean Resources on H.B. No. 366**

The purpose of this bill is to protect the manta ray, a near-threatened species, by establishing fines and penalties for knowingly killing or capturing manta rays within state marine waters.

The Hawaii Audubon Society, Animal Rights Hawaii, Hawaii Wildlife Fund, Save Our Seas, Pacific Whale Foundation, Maui Tomorrow Foundation, Inc., The Manta Network, Friends of Pebble Beach, Michael Hoff Productions, Inc., and a plethora of concerned individuals supported this bill. The Office of Hawaiian Affairs supported this bill with amendments. Several concerned individuals opposed this measure. The Department of Land and Natural Resources and several concerned individuals provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 366, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 165 Water, Land, & Ocean Resources on H.B. No. 586**

The purpose of this bill is to repeal the Kaneohe Bay Regional Council (Council), while continuing the plans, programs, and other policies adopted by the Council through the Department of Land and Natural Resources.

The Department of Land and Natural Resources supported this bill. The Office of Hawaiian Affairs, Hawaii Audubon Society, and Ko'olaupoko Hawaiian Civic Club opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date from June 30, 2011, to January 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 586, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 166 Water, Land, & Ocean Resources on H.B. No. 609**

The purpose of this bill is to expand water resources available in upcountry Maui by appropriating funds for the planning, design, and construction of a test well in upcountry Maui, either in Makawao or Pukalani, to serve as the first phase in the construction of a ground water well to supplement the upcountry surface water system.

The Chair and a member of the Maui County Council; County of Maui, Department of Water Supply; County of Maui, Office of Economic Development; Hawaii Building and Construction Trades Council, AFL-CIO; Kula Community Association; Laborers International Union of North America Local 368; and Hawaii Farm Bureau Federation supported this bill. The Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date from July 1, 2009, to January 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 609, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 609, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

**SCRep. 167 Water, Land, & Ocean Resources on H.B. No. 645**

The purpose of this bill is to allow overnight camping at Kaena Point State Park on the island of Oahu by removing any restrictions imposed by the Department of Land and Natural Resources (DLNR) on overnight camping at Kaena Point State Park.

Numerous concerned individuals testified in support of this bill. DLNR and several concerned individuals opposed this measure. The Office of Hawaiian Affairs and a concerned individual provided comments.

Upon careful consideration, your Committee has amended this bill by replacing the provisions in the bill with a pilot program to be established by DLNR to issue annual passes to Hawaii residents that allow them to fish overnight at Kaena Point State Park Reserve in Waialua, which will allow them to fish at night while in possession of sleeping bags, tents, tarpaulins, and other camping paraphernalia currently prohibited under the Administrative Rules. This bill also:

- (1) Requires annual pass holders to comply with and be subject to all conditions DLNR may impose upon the pass holder as a condition to the issuance of the pass, including the requirement to:
  - (a) Possess and carry the annual pass at all times while at Kaena Point; and
  - (b) Promptly report any illegal activity sighted at Kaena Point.
- (2) Includes a sunset date of July 1, 2011;
- (3) Requires DLNR to submit a report on the increase or decrease of illegal activity at Kaena Point State Park Reserve to the Legislature at least 20 days prior to the convening of the 2011 Regular Session; and
- (4) Urges the 2011 Legislature to review DLNR's report and take appropriate action on the sunset date of the Act.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 645, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 168 Higher Education on H.B. No. 347**

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

UH, the UH at Manoa Athletics Department, and UH Professional Assembly testified in support of this bill. The State Procurement Office, American Institute of Architects Hawaii State Council, American Public Works Association Hawaii Chapter, Subcontractors Association of Hawaii, Plumbing and Mechanical Contractors Association of Hawaii, American Council of Engineering Companies of Hawaii, Ironworkers Stabilization Fund Local 625, and a concerned individual opposed this measure.

Your Committee has amended this bill by, while exempting UH and the BOR from the other requirements of the Code or Chapter 103D, Hawaii Revised Statutes (HRS), requiring UH and the BOR to be subject to Part X of Chapter 103D, HRS, relating to preferences, and Chapter 104, HRS, relating to wages and hours of employees on public works.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 347, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 169 Higher Education on H.B. No. 1174**

The purpose of this bill is to help protect the state's precious cultural and natural resources and ensure public health and safety, by allowing the University of Hawaii (UH) to adopt administrative rules to regulate activities at and within the Mauna Kea lands, or the lands UH leases from the Board of Land and Natural Resources. Additionally, the bill allows UH to provide for procedures to enforce these rules, and to assess and collect administrative fines for violations of these rules.

The bill also establishes the Mauna Kea Management Special Fund, into which shall be deposited all revenues, rents, fees, charges, assessments, fines, and other moneys collected by UH in connection with its oversight and management of the Mauna Kea lands.

UH testified in support of this bill. The Office of Hawaiian Affairs, KAHEA, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the UH Board of Regents shall be exempt from the public notice, public hearing, and gubernatorial approval requirements of chapter 91, Hawaii Revised Statutes, in its establishment and revision of rents, fees, and charges payable in connection with the lease or use of UH real property and facilities as related to the oversight and management of the Mauna Kea lands; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1174, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki and Takumi.  
(Representatives Berg, Hanohano and Shimabukuro voted no.)

**SCRep. 170 Consumer Protection & Commerce on H.B. No. 1059**

The purpose of this bill is to protect underground infrastructure by making the Public Utilities Commission's (PUC) One Call Center pilot program (Program) permanent. The Program provides advance warnings to excavators of the location of subsurface facilities before the excavation begins.

PUC, the One Call Center Advisory Committee, Building Industry Association, Hawaiian Telcom, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Hawaii American Water testified in support of this bill. The Hawaii Pest Control Association provided comments.

Your Committee finds that certain excavation activities should be exempted from the Program because they do not pose the types of risks to underground facilities that the Program was established to address.

Accordingly, your Committee has amended this bill by:

- (1) Exempting from the Program, any pest control activity regulated under Chapter 460J, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1059, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Luke and Mizuno.

**SCRep. 171 Consumer Protection & Commerce on H.B. No. 1316**

The purpose of this bill is to strengthen the availability of qualified consultants to highway projects, by eliminating joint and several liability for design professionals in tort claims relating to the maintenance and design of public highways, except when the design professional's degree of negligence is at least 25 percent.

The Hawaii Section of the American Society of Civil Engineers; Coalition of Hawaii Engineering & Architectural Professionals; Austin, Tsutsumi & Associates, Inc.; Limtiaco Consulting Group, Inc.; ECS, Inc.; Gray, Hong, Nojima & Associates, Inc.; Engineering Solutions, Inc.; Brown and Caldwell; Dennis Glynn Architects, Inc.; Engineering Concepts, Inc.; Riehm Owensby Planners Architects; Arcadia Architecture, Inc.; INK ARCH, LLC; Franklin Wong & Associates, Ltd.; ControlPoint Surveying, Inc.; Atlas Engineering, LLC; KAI Hawaii, Inc.; Tanimura & Associates, Inc.; Richard Reese Designs, LLC; Urban Works, Inc.; KN Consulting Services, Inc.; Palms Hawaii Architecture; Belt Collins Hawaii; Umemoto Cassandro Design Corporation; Ernest M. Umemoto, Inc.; Fukunaga & Associates, Inc.; Kelso Architects, Inc.; Miyashiro and Associates, Inc.; and several concerned individuals testified in support of this bill. Hawaii Association for Justice and Hawaiian Telcom opposed this measure. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company provided comments.

Design professionals include professional engineers, architects, surveyors, and landscape architects licensed under Chapter 464, Hawaii Revised Statutes. This bill seeks to limit the liability exposure of design professionals in highway maintenance and design tort claims as a means of ensuring that these professionals, particularly smaller firms, can afford to work on highway projects.

However under joint and several liability, defendants with a greater ability to pay damages in tort cases involving highway maintenance and design, such as the government, design professionals, and public utilities, are susceptible to paying far more than their assigned, proportionate share of liability. Along these lines, an exemption of a certain group of "deep pocket" defendants from joint and several liability would shift greater liability exposure to other such defendants. Your Committee finds that these issues merit further consideration.

Accordingly, your Committee has amended this bill by changing its effective date to January 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1316, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 172            Education/Higher Education on H.B. No. 1217**

The purpose of this bill is to stimulate the state's economy by:

- (1) Authorizing the issuance of and appropriating \$100,000,000 in general obligation bonds for improvements to or repair and maintenance of public schools; and
- (2) Authorizing the issuance of and appropriating \$50,000,000 in general obligation bonds for improvements to or repair and maintenance of University of Hawaii (UH) instructional facilities.

This bill also allows these appropriations to be used to match federal funds that are appropriated for State capital improvement projects under any federal fiscal stimulus legislation.

The Department of Education and UH testified in support of this bill. The UH at Manoa supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1217 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Saiki and Takumi.

**SCRep. 173            Education/Labor & Public Employment on H.B. No. 1690**

The purpose of this bill is to clarify the amendments made by Act 125, Session Laws of Hawaii 2008, by requiring unlicensed individuals hired on an emergency basis prior to July 1, 2008, to attain licensure within four years and demonstrate active pursuit of licensing in each year of employment.

The Department of Education testified in support of this bill.

Your Committees have amended this bill by:

- (1) Deleting the requirement that unlicensed individuals hired on an emergency basis prior to July 1, 2008, attain licensure within four years, and instead specifying that unlicensed individuals hired on an emergency basis after June 30, 1997, but prior to July 1, 2008, may be employed on an emergency basis for no more than four years; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1690, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1690, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 174            Human Services on H.B. No. 732**

The purpose of this measure is to require the Department of Human Services to establish a three year pilot project to conduct and expand asset building classes for individuals and parents of children with disabilities.

The measure also appropriates an unspecified amount of temporary assistance for needy family funds to establish the pilot project.

The State Council on Developmental Disabilities supported the intent of the bill. The Department of Human Services provided comments.

According to the National Council on Disabilities, a large percentage of temporary assistance for needy families benefits recipients are disabled individuals or parents of children with disabilities. In order for these individuals to meet temporary assistance for needy families work requirements proper training and education programs are necessary for this underserved population.

Your Committee finds that individuals with disabilities require training and education programs tailored to meet their specific needs. Asset building is one area that would provide these individuals with the knowledge of money management to promote their skills in working toward social and economic independence.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 732 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 175            Transportation on H.B. No. 76**

The purpose of this bill is to increase public safety on Hawaii's roadways by establishing a fine of \$150 for various traffic-control signal violations by drivers of a motor vehicle.

Although no testimony was received in either support of or opposition to this bill, the safety of our roadways is of paramount importance and this measure may act as a deterrent to traffic-control signal violations by motorists. As such, your Committee finds that this measure deserves further consideration.

Your Committee also notes that funding may be necessary to carry out the intent of this Act. Therefore, your Committee has amended this bill by inserting an unspecified amount of general fund monies to be used by the Judiciary to carry out the purposes of this Act.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 76, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 176            Transportation on H.B. No. 863**

The purpose of this bill is to encourage coordinated urban development while reducing urban sprawl by creating a no-interest loan revolving fund to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly those projects involving affordable housing.

The Department of Planning and Permitting of the City and County of Honolulu, Building Industry Association of Hawaii, Hawaii Developers' Council, Office of Hawaiian Affairs, and Chamber of Commerce of Hawaii testified in support of this bill. The Department of Budget and Finance (B&F) opposed this measure.

The City and County of Honolulu is about to embark on the largest public works project in the state's history, often referred to as the Honolulu High Capacity Transit Project (Project).

The Project is expected to spur transit-oriented development all along the mass transit corridor. To accommodate the expected future growth in these areas, upgrades and improvements to increase capacity to infrastructure in these areas will be necessary. Making these upgrades and replacements will result in more compact, dense, and coordinated development along this transportation corridor with an added benefit of reducing urban sprawl.

Although your Committee understands the concerns raised by B&F regarding possible increases in general fund expenditures during these difficult economic times, these concerns can be reviewed and addressed by the Committee on Finance as this bill makes its way through the legislative process. Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 863, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Housing.

Signed by all members of the Committee except Representative Pine.

**SCRep. 177            Health/Human Services on H.B. No. 989**

The purpose of this bill is to ensure health coverage for uninsured children in the state by:

- (1) Extending the Hawaii Children's Health Care Program (Program) for three more years;
- (2) Requiring primary health care services for Program participants to be provided by a federally qualified health center;
- (3) Requiring the report from the Department of Human Services (DHS) and any participating managed care plan to be submitted to the Legislature before the 2010 and 2011 regular sessions, and include any proposals on funding sources other than the State; and
- (4) Appropriating funds for the Program.

The Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Medical Service Association, and Kupuna Caucus of the Democratic Party of Hawaii testified in support of this bill. DHS offered comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 989 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 178            Health/Human Services on H.B. No. 1371**



The purpose of this bill is allocate a portion of federal funds received from a 2009 economic stimulus package to finance increased Medicaid reimbursements, disproportionate share hospital payments, and Hawaii Children's Health Care Program.

The Hawaii Medical Service Association and Kupuna Caucus of the Democratic Party of Hawaii testified in support of this bill. The Department of Human Services testified in support of the intent of this measure. The Department of Health provided comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1371 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 179 Health/Human Services on H.B. No. 709**

The purpose of this bill is to ensure continuous and effective access to primary and preventive health care for uninsured residents by appropriating funds to be distributed by the Department of Health (DOH) to nonprofit community-based health care providers to provide health care to the uninsured.

The Office of Hawaiian Affairs, Community Clinic of Maui, League of Women Voters of Hawaii, Kalihi-Palama Health Center, Waikiki Health Center, Hawaii Primary Care Association, Lanai Women's Center, Papa Ola Lokahi, Waimanalo Health Center, and several concerned individuals supported this bill. DOH opposed this measure.

Your Committees find that it is vital that our community health center system is provided with the necessary support to continue their invaluable services. However, as this bill moves through the legislative process it is important to consider including support for our Native Hawaiian Health Care Systems as well as the federally qualified health centers to ensure a strong health care safety net is in place.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 709 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 180 Health/Human Services on H.B. No. 700**

The purpose of this bill is to require mutual and internal benefit societies, health maintenance organizations, and health plans other than government payers to pay:

- (1) Critical access hospitals no less than 101 percent of cost for services; and
- (2) Federally qualified health centers no less than their respective prospective payment system rates.

The Department of Commerce and Consumer Affairs, Lanai Women's Center dba Lanai Community Health Center, Hawaii Health Systems Corporation (HHSC), West Region of HHSC, Kauai Region of HHSC, Hawaii Primary Care Association, and Community Clinic of Maui submitted testimony in support of this bill. Summerlin Life & Health Insurance Company opposed the measure. Comments were submitted by the Hawaii Medical Services Association.

To facilitate further discussion, your Committees have amended this measure by inserting an effective date of July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 700, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 700, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 181 Health/Human Services on H.B. No. 708**

The purpose of this bill is to ensure that Hawaii's safety net, which primarily consists of critical access hospitals (CAHs) and federally qualified health centers (FQHCs), remains financially solvent, by requiring that private health plans reimburse these facilities at rates consistent with Medicare and Medicaid reimbursement rates.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation (HHSC), Kauai Region of HHSC, Hawaii Primary Care Association, Community Clinic of Maui, Lana'i Women's Center dba Lana'i Community Health Center, Waikiki Health Center, and West Hawaii Region of HHSC submitted testimony in support of this measure. The American Family Life Assurance Company of Columbus and Hawaii Medical Service Association commented on this bill.

Your Committees find that the federal government recognizes the difficult circumstances under which CAHs and FQHCs provide essential health services, by guaranteeing these facilities enhanced reimbursement rates under Medicare and Medicaid. This bill would ensure that private health plans provide the same level of reimbursement to these facilities that the government provides under federal and state law.

There was testimony that the reimbursement requirement under this bill would be inappropriate for limited benefit health insurance policies, which pay a fixed amount to policy holders for specific occurrences of treatment or disease regardless of the costs incurred. This bill would harm the consumer by either unnecessarily increasing the cost of this insurance or causing this insurance to become unavailable altogether.

Upon consideration, your Committees have amended this bill by exempting limited benefit health insurance from its reimbursement requirements. To encourage further discussion of this measure, the effective date has been changed to July 1, 2020. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 708, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 182 Health/Public Safety on H.B. No. 1191**

The purpose of this bill is to regulate the growth and availability of medical marijuana by:

- (1) Authorizing the development of registered secure growing facilities to provide a place for a limited amount of medical marijuana cultivation;
- (2) Authorizing patients and their primary caregivers who have written certification to use registered secure growing facilities, and their certified facilitators, to grow an uninterrupted allotment of marijuana for medical use;
- (3) Establishing a marijuana distribution stamp system to monitor the distribution of processed marijuana to qualifying patients or their primary caregivers;
- (4) Providing transparency to local law enforcement officers; and
- (5) Providing protection for qualifying patients and their medication.

The American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, Americans for Safe Access-Big Island Chapter, and numerous concerned individuals testified in support of this bill. The Department of Public Safety, Honolulu Police Department, Maui County Police Department, Hawaii Police Department, Department of the Prosecuting Attorney for the County of Maui, and Save Our Society from Drugs opposed this measure. Patients Without Time provided comments.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Health and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1191, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1191, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Carroll, M. Lee, Nishimoto, Shimabukuro, Takumi, Finnegan and Pine.

**SCRep. 183 Health on H.B. No. 423**

The purpose of this bill is to ensure that women who have been the victim of rape are provided with information on all their treatment options by requiring hospitals to provide:

- (1) Information about emergency contraception; and
- (2) Emergency contraception, when requested to avoid an unintended pregnancy from an act of violence.

The Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Hawaii Section of the American College of Obstetricians and Gynecologists, Hawaii State Democratic Women's Caucus, Healthy Mothers Healthy Babies Coalition of Hawaii, League of Women Voters of Hawaii, American Civil Liberties Union of Hawaii, and several concerned individuals supported this bill. The Department of Health, St. Francis Healthcare System of Hawaii, Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Medical Center, and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Providing a religious exemption to religiously affiliated hospitals claiming a religious objection;
- (2) Requiring the hospital given an exemption to provide immediate transportation for a victim of a sexual assault, at no cost to the victim, to an appropriate health care facility;
- (3) Providing that hospitals receiving an exemption must provide information to a victim of all treatment options they may receive from a health care facility the victim is being transported to;
- (4) Ensuring that the exempted hospital inform a victim of a sexual assault that refusal to provide emergency contraception to the victim is not the fault of the victim, but solely due to the hospital's religious affiliation; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 184 Health on H.B. No. 655**

The purpose of this bill is to ensure access to the prescription medications people in remote locations need by:

- (1) Permitting remote dispensing pharmacies (RDP) to be established on islands where there are no pharmacies established; and
- (2) Authorizing the use of the RDPs to obtain medications regardless of the type of medical insurance possessed.

The Department of Human Services, Board of Pharmacy, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and several concerned individuals supported this bill. The Department of Public Safety supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Providing that upon the establishment of a pharmacy on an island with a RDP, the RDP will no longer be permitted to dispense controlled substances;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 655, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 185            Health on H.B. No. 811**

The purpose of this bill is to ease Hawaii's registered nurse licensure requirements for graduates of foreign nursing schools (Graduates) by requiring the Board of Nursing (Board) to have Graduates applying for a licensure in Hawaii arrange for the applicant's school to send to the Board:

- (1) The "Breakdown of Educational Program for International Nursing Programs" form; and
- (2) A certified school transcript, translated to English if necessary.

This bill also removes the requirement that a graduate's transcripts be evaluated by professional evaluators designated by the Board.

The Representative of the 35<sup>th</sup> District, Nursing Advocates and Mentors, Inc., Philippine Nurses Association Hawaii, United Filipino Council of Hawaii, Filipino Nurses' Organization of Hawaii, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Filipino American Citizens League, Oahu Filipino Community Council, and several concerned individuals supported this bill. The Board, Hawaii Pacific University School of Nursing, and several concerned individuals opposed this measure. The Hawaii Nurses Association submitted comments.

Your Committee has heard compelling testimony regarding this bill, but believes that there should be some consideration of developing a waiver program based on need rather than the elimination of current key qualifying elements in current law.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 811, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 186            Health on H.B. No. 1362**

The purpose of this bill is to ensure genetic counselors practicing in Hawaii will have the training and knowledge to provide the best care to families by establishing a Genetic Counseling Licensure Program (Program) within the Department of Health (DOH).

The Kapiolani Medical Specialists and numerous concerned individuals supported this bill. DOH submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the Department of Health with the Department of Commerce and Consumer Affairs as the agency in which the Program will be placed for administrative purposes;
- (2) Requiring the Director of Commerce and Consumer Affairs to work with the DOH Genetics Program;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1362, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 187            Health on H.B. No. 1509**

The purpose of this bill is to protect the health and safety of those who frequent one of the state's most visited destinations and most prized attractions, Waikiki Beach, by prohibiting smoking:

- (1) Between the sidewalk abutting Kalakaua Avenue and the ocean; and
- (2) Within the length of the properties currently known as the Ilikai Hotel to the New Otani Kaimana Beach Hotel,

while still allowing smoking on the public sidewalks and on private property in the area.

The Coalition for a Tobacco-Free Hawaii supported this bill. Several concerned individuals opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 188 Health on H.B. No. 1372**

The purpose of this bill is to ensure the continuous provision of essential safety-net hospital and long-term care services statewide by, among other things:

- (1) authorizing an individual facility or regional system under the Hawaii Health Systems Corporation (HHSC) to transition into a new legal entity in any form;
- (2) Requiring regional system boards and HHSC community hospitals to collaborate with community health centers to maximize funding from the state and federal governments for costs associated with things such as capital investments and expanded hours of services; and
- (3) Exempting HHSC from the requirements of the State Procurement Code.

HHSC and its Maui, Kauai, Oahu, and West Hawaii Regions; Hawaii Primary Care Association; and several concerned individuals supported this bill. The State Procurement Office opposed this measure. The Hawaii Government Employees Association and ILWU Local 142 submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1372 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 189 Legislative Management on H.B. No. 59**

The purpose of this bill is to ensure that candidates for legislative office are familiar with the problems and concerns of the jurisdictions that they seek to represent. This bill proposes to amend the Hawaii Constitution by:

- (1) Increasing the state residency requirement for these candidates from three to five years; and
- (2) Requiring residency in the senatorial or representative district for at least 12 months prior to a general election.

The Ironworkers Stabilization Fund Local 625 testified in support of this measure.

Your Committee has amended this bill by:

- (1) Restoring the three-year state residency requirement;
- (2) Correcting a nonsubstantive error in the title to read: "PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION RELATING TO RESIDENCE REQUIREMENTS FOR MEMBERS OF THE LEGISLATURE"; and
- (3) Making other technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 59, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 59, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 190 Labor & Public Employment on H.B. No. 1129**

The purpose of this bill is to conform State Unemployment Insurance (UI) law to federal law by:

- (1) Ensuring that the state's experience rating system is applied uniformly to all business transfers, whether total or partial, or mandatory or voluntary; and
- (2) Amending a citation of federal law to reflect the correct section of the Internal Revenue Code, as amended.

The Department of Labor and Industrial Relations testified in support of this bill.

In 2004, Public Law 108-295 (P.L. 108-295) established a nationwide minimum to curb the use of a tax evasion scheme involving the manipulation of an employer's UI tax rate to achieve a lower rate and thereby pay less UI taxes. This was accomplished through a variety of means, including business transfers, restructuring, payroll transfers, and shell transactions.

In 2005, Hawaii passed legislation to conform state UI laws to the new requirements of P.L. 108-295. However, an inconsistency in the time periods used to calculate an employer's UI tax rates under certain conditions still exists, which can result in multiple recalculations within a given year costing the State and employers time and money. This measure corrects this problem.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1129 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 191 Labor & Public Employment on H.B. No. 1280**

The purpose of this bill is to ensure fairness in awarding public contracts and improve the public procurement process while working to improve Hawaii's economy by:

- (1) Requiring a thorough examination of a prospective contractor's record of compliance with the state labor laws, including proof of this compliance, prior to the contractor being awarded a construction contract;
- (2) Requiring a contractor or subcontractor to:
  - (A) Be appropriately licensed;
  - (B) Maintain and participate in a bona fide apprenticeship training program approved by the Department of Labor and Industrial Relations;
  - (C) Comply with Hawaii's labor laws, including prevailing wage laws and workers' compensation insurance requirements;
  - (D) Commit to hiring Hawaii residents to compose not less than 80 percent of the workforce on the project, with certain exceptions; and
  - (E) Provide a fair and neutral process for resolving work-related issues to its employees;
- (3) Establishing requirements for compliance duration; and
- (4) Establishing penalties for non-compliance.

The Ironworkers Stabilization Fund Local 625; International Brotherhood of Electrical Workers; International Brotherhood of Electrical Workers Local Union 1186; Laborers' International Union of North America Local 368; ILWU Local 142; Hawaii Building and Construction Trades Council, AFL-CIO; International Union of Elevator Constructors Local 126; and Hawaii State AFL-CIO testified in support of this bill. The Department of Accounting and General Services, General Contractors Association of Hawaii, Building Industry Association of Hawaii, Metzler Contracting Company, LLC, Associated Builders and Contractors of Hawaii, Mokulua Woodworking, Ltd., and a concerned individual testified in opposition to this measure.

The economic downturn currently being faced across the nation, including in Hawaii, has resulted in both state and federal governments looking to public works projects as a near term means of stimulating the economy. Hawaii is expected to receive its fair share of economic revitalization monies from the federal government for various construction projects and the state is already looking at fast-tracking a number of construction projects to jump-start the economy. With the expected increase in construction bid projects, contractors with no history of working in Hawaii may seek to bid for these projects. Some of these contractors may be unscrupulous and may have less than stellar records with regard to compliance with labor laws. These businesses should receive greater scrutiny from the State before being awarded public works contracts.

Your Committee has amended this bill by:

- (1) Specifying that contractors or subcontractors that satisfy the requirement to commit to hiring Hawaii residents to comprise not less than 80 percent of the workforce on the project shall be entitled to a five percent adjustment in their bid amount;
- (2) Clarifying that the fair and neutral process for resolving work-related issues shall not include processes that require an employee to waive any remedies or rights currently afforded by statute; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1280, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 192 Labor & Public Employment on H.B. No. 1289**

The purpose of this bill is ensure that a well-trained workforce will be available for future construction projects by requiring all offerors and subcontractors for public works construction contracts with a total estimated contract value of \$100,000 or more to maintain or participate in a bona fide, state-approved apprenticeship program at the time of general bidding.

The Hawaii Carpenters Union, ILWU Local 142, and Operating Engineers Joint Apprenticeship Committee testified in support of this bill. The Laborers' International Union of North America, Local 368 supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR),

Department of Accounting and General Services, General Contractors Association of Hawaii, Building Industry Association-Hawaii, and a concerned individual testified in opposition to this bill.

As public works are expected to play a large role in immediate, as well as longer term, economic recovery efforts, it will be essential for the state to have a well-trained construction workforce. While bidders on a public work are not currently required to have established apprenticeship programs as part of their eligibility, establishing apprenticeship program requirements for a public works project can ensure that a skilled construction workforce will be maintained for years to come.

However, your Committee understands the concern raised by DLIR that there is ambiguity in the amount of time a contractor or subcontractor must have previously participated in an apprenticeship program as one of the factors in determining a bidder's maintenance or participation in a bona fide apprenticeship program. Accordingly, your Committee has amended this measure by requiring the contractor or subcontractor to have participated in an apprenticeship program for a period of not less than six months in duration.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1289, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 193            Public Safety on H.B. No. 1818**

The purpose of this bill is to promote the successful transition from incarceration to the community by requiring the Department of Public Safety (PSD) to establish a pilot program combining cognitive behavioral therapy with native Hawaiian holistic interventions that address domestic violence, addictions, self mastery through identity, and community connections.

The American Civil Liberties Union, Hawaii Substance Abuse Coalition and several concerned individuals testified in support of this bill. PSD supported the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818 and recommends that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

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

**SCRep. 194            Public Safety on H.B. No. 1487**

The purpose of this bill is to appropriate funds for the Office of Hawaiian Affairs (OHA) to conduct a study on the disparate treatment of native Hawaiians and other ethnic groups in the State's criminal justice system.

The American Civil Liberties Union of Hawaii, Hawaii State Democratic Women's Caucus, African American Lawyers Association, Community Alliance on Prisons, and a concerned individual testified in support of this bill. OHA submitted testimony in support of this measure with amendments.

Your Committee has amended this bill by:

- (1) Requiring OHA to contract with a nationally respected and objective consulting firm to conduct the study, instead of having designated members jointly contribute to the study;
- (2) Redefining the study contents to include the extent of, causes of, and barriers created by disparate treatment;
- (3) Requiring all government agencies involved in Hawaii's criminal justice system to cooperate in the study;
- (4) Requiring OHA to submit the consultant's findings, recommendations, and any proposed legislation to the Legislature at least 20 days prior to the convening of the Regular Session of 2010; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1487, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

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

**SCRep. 195            Public Safety on H.B. No. 688**

The purpose of this bill is to enable county fire departments to use their limited resources more efficiently by allowing them to inspect buildings according to their fire and life safety risk.

This bill eliminates the requirement that county fire departments inspect buildings and properties every two years. Public schools will continue to be inspected annually.

The State Fire Council, Honolulu Fire Department, and the County of Kauai Fire Department testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 688 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 196 Public Safety on H.B. No. 1635**

The purpose of this bill is to amend statutory law relating to medical marijuana by:

- (1) Establishing new recordkeeping requirements and penalties;
- (2) Amending the definitions of "debilitating medical condition", "usable marijuana", and "written certificate";
- (3) Requiring a physical examination of the patient by the prescribing physician; and
- (4) Increasing the penalty for fraudulent misrepresentation to a class C felony.

The Department of Public Safety, Honolulu Police Department, Department of the Prosecuting Attorney for the County of Maui, and Maui Police Department testified in support of this bill. The American Civil Liberties Union, Drug Policy Forum, Drug Policy Action Group, Americans for Safe Access-Big Island Chapter, and many concerned individuals testified in opposition to this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1635 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 197 Public Safety/Human Services on H.B. No. 1192**

The purpose of this bill is to decriminalize the possession of less than one ounce of marijuana by making it a civil offense punishable by a civil fine of \$100 and forfeiture of the marijuana. In addition, persons under eighteen years of age would also be required to complete a drug awareness program or face a \$1,000 civil fine.

Currently, the penalty for knowingly possessing less than one ounce of marijuana is a petty misdemeanor offense, promoting a detrimental drug in the third degree.

The Drug Policy Forum, American Civil Liberties Union, Americans for Safe Access, Big Island Chapter, Community Alliance on Prisons, and numerous individuals testified in support of this bill. The Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, Honolulu Police Department, County of Maui Police Department, and County of Hawaii Police Department opposed this measure. The Department of Public Safety, Office of Youth Services, Hepatitis Support Network Hawaii, and Drug Policy Action Group offered comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1192 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Carroll, M. Lee, Nishimoto, Shimabukuro, Takumi, Pine and Ward.

**SCRep. 198 Tourism, Culture, & International Affairs on H.B. No. 1585**

The purpose of this bill is to assess the Transient Accommodations Tax and General Excise Tax upon online travel companies that facilitate transient accommodations over the Internet.

Orbitz, Expedia, and Sabre opposed this bill. The Department of Taxation and a concerned individual offered comments.

Several members of your Committee raised concerns related to ongoing litigation and the United States Supreme Court case, *Quill Corp v. North Dakota* (1992), which requires a nexus between the taxpayer and a state for purposes of tax collection. Another member noted that your Committee on Economic Revitalization, Business, and Military Affairs was referred bills relating to nexus and could appropriately take up the issue of nexus with regard to this measure.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1585, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 199 Legislative Management on H.B. No. 1364**

The purpose of this bill is to require the Governor or the Director of Finance to report each restriction of expenditure to the Legislature no later than 30 days after the end of each quarterly allotment period. Failure to submit a report on any restriction will result in the immediate release of the restricted funds.

The Governor's Office and the Department of Budget and Finance opposed this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 200 Human Services on H.B. No. 791**

The purpose of this measure is to invalidate any county ordinance that prohibits group living facilities for the elderly and persons with disabilities from being located within certain distances of other group living facilities.

The City and County of Honolulu Department of Planning and Permitting submitted testimony in opposition to this measure.

Your Committee finds that under present law, no provision invalidates ordinances that set minimum distances between group living facilities. This measure would render void as against public policy any ordinance that prohibits a group living facility from being within any specified distance from another group living facility. Accordingly, this measure will help prevent housing discrimination against the elderly and disabled as these populations increase and require affordable housing.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 791 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

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

**SCRep. 201 Human Services on H.B. No. 1508**

The purpose of this measure is to exempt from the income tax those individuals whose income is less than one hundred per cent of the federal poverty means guideline for Hawaii.

Federal poverty income guidelines are issued periodically by the United States Department of Health and Human Services, pursuant to 42 United States Code 9902(2). This measure would, effective in taxable years beginning after December 31, 2008, provide an income tax exemption to individuals whose taxable income is less than one hundred per cent of the federal poverty income guideline for that year.

The Department of Taxation, while supporting the intent and purpose of the measure, submitted testimony in opposition to the measure and offered comments on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1508 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 202 Judiciary on H.B. No. 779**

The purpose of this measure is to enact the Uniform Foreign-Country Money Judgments Recognition Act (UFCMJRA), and repeal the Uniform Foreign Money-Judgments Recognition Act, Chapter 658C, Hawaii Revised Statutes. The UFCMJRA updates the law by, among other things:

- (1) Allocating the burden of proof with respect to the applicability of the UFCMJRA to the party seeking recognition of a foreign-country judgment;
- (2) Establishing procedures for obtaining recognition of foreign country money judgments;
- (3) Expanding the grounds for denying such recognition but allocating the burden of proof to the party against such recognition; and
- (4) Establishing a statute of limitations.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 779 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 203 Agriculture/Energy & Environmental Protection on H.B. No. 1684**

The purpose of this bill is to deter and prevent the intentional introduction and spread of invasive species by among other things:

- (1) In lieu of provisions set to take effect on July 1, 2009, that would have imposed only fines, establishing a petty misdemeanor offense for transportation companies that violate the provisions governing importation of designated articles into the state; and
- (2) Establishing a class C felony offense for a person or organization that is found guilty of intentionally importing, possessing, harboring, transferring, or transporting, including through interisland or intransland movement, any prohibited or restricted plant, animal, or microorganism without a permit, and with the intent to propagate, sell, or release that plant, animal, or microorganism, unless otherwise allowed by law.

The Department of Agriculture (DOA), Office of Hawaiian Affairs, Sierra Club, Hawaii Chapter, Hawaii Farm Bureau Federation, Maui County Farm Bureau, The Nature Conservancy of Hawaii, Hawaii Forest Industry Association, Hanalei Watershed Hui, and several concerned individuals supported this bill. The Department of Land and Natural Resources and a concerned individual supported this bill with amendments. The University of Hawaii Environmental Center, Maui Invasive Species Committee, and a concerned individual supported the intent of this measure. Alexander & Baldwin, Inc., Matson Navigation Company, Inc., and a concerned individual submitted comments.



Although your Committees stand in support of strengthening penalties for those who are engaged in the illegal importation and spread of invasive species, your Committees note that concerns were raised regarding the severity of the penalties imposed against offenders, particularly for those that commit the Class C felony offense. Questions were also raised regarding whether the fines associated with the Class C felony offense apply to each illegal item imported or to each offense: It is the intent of your Committees that the fines apply to each offense. In addition, concerns were raised regarding whether the public has been adequately notified and educated on the specifics of what can and cannot be legally imported into the state. Your Committees support future legislative efforts to address these concerns.

Your Committees have amended this measure by:

- (1) Broadening the scope of the petty misdemeanor offense by making it applicable to any person, including a transportation company, rather than limiting it only to a transportation company;
- (2) Reducing the maximum fines for the petty misdemeanor offense as follows:
  - (A) For the first offense, from \$10,000 to \$5,000; and
  - (B) For a second offense committed within five years of a prior offense, from \$25,000 to \$15,000;
- (3) Clarifying that the Class C felony offense applies to a pest designated by statute or rule, in lieu of a prohibited or restricted plant, animal, or microorganism;
- (4) Repealing Section 2 of Act 101, Session Laws of Hawaii 2008, set to take effect on July 1, 2009, which would have repealed the existing criminal offense for violations of the provisions governing importation of designated articles into the state; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1684, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1684, H.D. 1, and be referred to the Committee on Transportation.

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

**SCRep. 204 Labor & Public Employment on H.B. No. 1390**

The purpose of this bill is to provide prompt medical treatment for injured workers by:

- (1) Increasing the availability of medical care for injured workers; and
- (2) Encouraging more physicians to accept industrial accident claims.

This bill increases the fee schedule of compensation for medical care in workers' compensation cases from 110 per cent to 150 per cent of the Medicare Resource Based Relative Value Scale system applicable to Hawaii as prepared by the United States Department of Health and Human Services.

The ILWU Local 142, Hawaii Medical Association, Hawaii State Chiropractic Association, Hawaii Chapter-American Physical Therapy Association, and several concerned individuals testified in support of this bill. Two individuals supported the intent of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, American Insurance Association, State Farm Insurance Companies, and Hawaii Insurers Council testified in opposition to this bill. The Department of Commerce and Consumer Affairs submitted comments.

Currently, Hawaii's injured workers are finding it difficult to obtain medical treatment. One reason is that many physicians are not willing to accept cases involving injuries covered by workers' compensation. Since workers' compensation claims often necessitate the filing of extensive medical treatment plans and reports, these types of cases are often difficult and time consuming with physicians rarely recovering the financial costs involved because of low reimbursement rates. By increasing the limitations on reimbursement rates, more physicians may be encouraged to accept industrial claims cases.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 205 Labor & Public Employment on H.B. No. 31**

The purpose of this bill is to protect individuals from discriminatory employment practices by making it unlawful for an employer to refuse to hire or employ, or to bar or discharge from employment, or otherwise discriminate against any individual because of an individual's credit history or credit report.

The Hawaii Teamsters Local 996 and ILWU Local 142 testified in support of this bill. The Consumer Data Industry Association and Hawaii Bankers Association testified in opposition to this measure. The Honolulu Police Department and Hawaii Civil Rights Commission submitted comments.

Your Committee supports the workers' right to confidentiality of their credit history or record. However, your Committee recognizes that there may be limited instances where an employer may require the information in a credit report or history. This bill provides the balance between workers' rights and employers' needs by limiting the use of the information to situations that directly relate to an individual's bona fide occupational qualification.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 31 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 206 Labor & Public Employment on H.B. No. 602**

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

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

The Department of Labor and Industrial Relations (DLIR), Chamber of Commerce of Hawaii, Hawaii Independent Insurance Agents Association, Retail Merchants of Hawaii, and Maui Chamber of Commerce testified in support of this measure. The ILWU, Local 142 testified in opposition to this bill.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 207 Health/Human Services on H.B. No. 697**

The purpose of this bill is to ensure that individuals who lose their employer-based health insurance due to the effects of the current economic downturn are provided a safety net for their health care coverage. This bill:

- (1) Establishes the Temporary Health Insurance for Unemployed Persons Program (Program) which offers similar health benefits provided by the QUEST-Net Program;
- (2) Partially reimburses individuals who continue their health insurance coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA); and
- (3) Appropriates funds to administer the Program as well as to reimburse individuals enrolled in COBRA health care coverage.

The Hawaii Medical Service Association, ILWU Local 142, and an individual testified in support of this bill. The Department of Human Services offered comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 697 and recommend that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 208 Health/Human Services on H.B. No. 698**

The purpose of this bill is to make health insurance temporarily available to certain unemployed individuals by establishing a three-year pilot program to provide health insurance to individuals who have been uninsured for at least six months due to the loss of a job for reasons other than voluntary separation, discharge for work-related misconduct, or work stoppage caused by a labor dispute. This bill also appropriates funds for this program.

The Office of Hawaiian Affairs, ILWU Local 142, and a concerned individual testified in support of this bill. The Department of Human Services and the Hawaii Medical Service Association provided comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 698 and recommend that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 209 Health/Human Services on H.B. No. 1375**

The purpose of this bill is to support federally qualified health centers as patient-centered health care homes to improve patient care, reduce errors, and reduce the overall fiscal burden on the State's health care system by establishing and directing funds to a federally qualified health center pilot project for the 2010-2011 and 2011-2012 fiscal years.

The Kupuna Caucus of the Democratic Party of Hawaii, Community Clinic of Maui, Hawaii Primary Care Association, Papa Ola Lokahi, and a concerned individual testified in support of this bill. The Department of Health opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1375 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 210 Health/Human Services on H.B. No. 1373**

The purpose of this bill is to ensure health care access for all residents by appropriating funds to provide direct health care services to uninsured residents through nonprofit, community-based health care providers.

The Office of Hawaiian Affairs, Community Clinic of Maui, The League of Women Voters of Hawaii, Kalihi-Palama Health Center, Hawaii Primary Care Association, Papa Ola Lokahi, Waimanalo Health Center, Hoola Lahui Hawaii, and several concerned individuals testified in support of this bill. The Department of Health opposed this measure.

Your Committees have amended this bill by changing its effective date to July 1, 2020, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1373, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1373, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 211 Health on H.B. No. 718**

The purpose of this bill is to form a captive insurance company to provide medical malpractice insurance to self-employed medical doctors.

The Hawaii Association of Health Plans and Hawaii Association for Justice testified in support of this bill. The Department of Commerce and Consumer Affairs testified in opposition to this measure. The Hawaii Medical Association and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2100, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 718, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 212 Water, Land, & Ocean Resources on H.B. No. 271**

The purpose of this measure is to allow the Registrar of the Bureau of Conveyances of the Department of Land and Natural Resources to accept electronic real property conveyance documents with electronic signatures for recording.

More specifically, this measure:

- (1) Establishes that real estate documents filed in electronic form with electronic signatures are as valid as paper documents that are manually signed; and
- (2) Requires the Department of Land and Natural Resources to establish standards to make real property recording effective, and provides guidelines for the development of those standards.

The State Commission to Promote Uniform Legislation submitted testimony in support of the measure. The Department of Land and Natural Resources submitted testimony supporting the intent of the measure, preferring a similar measure.

Currently, the Bureau of Conveyances only accepts original paper instruments with original signatures for recordation in the regular system. This process is time consuming and cumbersome for both the Bureau and filers due to the amount of time required to manually process each recordation.

Your Committee finds that increasing efficiency with the recordation process at the Bureau of Conveyances is vital to both the Bureau and the public. Allowing electronic recordation will streamline real estate transactions and help to reduce the backlog and length of time to record these transactions.

Your Committee also finds that adopting the Uniform Real Property Electronic Recording Act, with some modifications, is preferable to other measures that attempt to achieve the same goal. This measure, which was developed by the National Conference of Commissioners on Uniform State Laws in 2004, has been adopted in eighteen states since its inception.

To the extent that this measure is adopted by a greater number of states, it will promote the efficiency and consistency of electronic land recordation for the benefit of people in all adopting states, and also for state agencies, corporations, organizations, and individuals conducting real estate transactions in multiple jurisdictions.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 271 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 213 Water, Land, & Ocean Resources on H.B. No. 951**

The purpose of this bill is to codify the current common law in Hawaii with respect to a landowner's legal duties and obligations pertaining to damages and injuries caused by natural conditions to property and persons outside the land. Specifically, this bill limits the liability of landowners of unimproved lands for damage, injury, or harm to persons or property outside of the boundaries of the landowner's land caused by any naturally occurring land failure originating on the unimproved land, notwithstanding minor alterations to the land such as:

- (1) Installation or maintenance of utility poles, signage, fences, trails, and pathways;
- (2) Maintenance activities such as forest plantings, weed, brush, rock, boulder, and tree removal; and
- (3) Removal or securing of rocks or boulders to reduce risk to downslope properties.

The Attorney General, City and County of Honolulu, County of Hawaii, Kamehameha Schools, and Land Use Research Foundation of Hawaii testified in support of this bill. The Hawaii Association for Justice and a concerned individual opposed this measure. The Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 951 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.  
(Representative Thielen voted no.)

**SCRep. 214 Health on H.B. No. 696**

The purpose of this bill is to work towards strengthening the financial viability of the state's health care safety net hospital system and streamline labor relations in the Hawaii Health Systems Corporation (HHSC) and its regions by establishing a separate collective bargaining unit for the employees of HHSC and its regions.

HHSC and its Kauai and West Hawaii Regional Systems supported this bill. The United Public Workers, AFSCME, Local 646, AFL-CIO (UPW) opposed this measure. The Department of Budget and Finance and Office of Collective Bargaining submitted comments.

Your Committee has amended this bill by providing that only members of the Hawaii Government Employees Association who are also HHSC employees will be consolidated into a single, new bargaining unit.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 696, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 215 Health on H.B. No. 439**

The purpose of this bill is to improve the adjudication of medical injury claims by establishing a working group on the establishment of a health court (Working Group), under the Department of Health (DOH), to study the concept of health courts, and determine the appropriate structure and features of a state health court system.

The Hawaii Association of Health Plans supported this bill. DOH opposed this measure. The Hawaii Association for Justice (HAJ), Hawaii Medical Association, and a concerned individual submitted comments.

Upon further consideration and in light of public testimony for this measure, your Committee has amended this measure by:

- (1) Removing the President of the Hawaii State Bar Association from membership on the Working Group, and, instead, adding the President of HAJ, or designee, as a member of the Working Group;
- (2) Adding the Dean of the University of Hawaii John A. Burns School of Medicine, or designee, as a member of the Working Group;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 439, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 216 Health on H.B. No. 1317**

The purpose of this bill is to address the lack of qualified physicians in rural communities of the state by providing a tax credit for a percentage of medical malpractice insurance premium costs to qualified physicians who practice medicine in rural areas.

The Hawaii Association for Justice, Hawaii Medical Association, Hawaii Association of Health Plans, and Hawaii Medical Service Association testified in support of this bill. A concerned individual provided comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1317, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 217 Health on H.B. No. 1378**

The purpose of this bill is to improve access to health care by, among other things:

- (1) Allowing advance practice registered nurses (APRN) to serve as primary health providers;
- (2) Requiring insurers, mutual and fraternal benefit societies, and health maintenance organizations to recognize APRNs as primary care providers; and
- (3) Granting APRNs increased signature authority and prescriptive rights.

The Hawaii Health Systems Corporation, University of Hawaii at Manoa School of Nursing and Dental Hygiene, Hawaii State Center for Nursing, Hawaii Primary Care Association, Lanai Women's Center, Hawaii Association of Professional Nurses, AARP Hawaii, and several concerned individuals supported this bill. The Hawaii Government Employees Association supported the intent of this measure. The Hawaii Medical Association, Kaiser Permanente Hawaii, and American Osteopathic Association opposed this bill. The Board of Nursing (BON), Disability and Communication Access Board, and Hawaii Medical Service Association submitted comments.

Your Committee has amended this bill by:

- (1) Excluding certificates of disability used to obtain parking for disabled persons from the documents APRNs are authorized to certify;
- (2) Providing that a person seeking the title of APRN shall have:
  - (A) Completed an accredited graduate-level education program leading to a degree or certification as a certified registered nurse anesthetist, a certified nurse midwife, a clinical nurse specialist, or a certified nurse practitioner; or
  - (B) Has passed a qualified national certification and various other certification, education, and skill level requirements;
- (3) Reinstating requirements that the:
  - (A) BON establish requirements for advanced nursing practice including education, experience, and national certification; and
  - (B) Hawaii Medical Board submit an annual report on changes made to the exclusionary formulary of drugs certain APRNs are authorized to prescribe;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 218 Public Safety on H.B. No. 1776**

The purpose of this bill is to help enforce provisions prohibiting inmates in correctional facilities from receiving state public assistance by requiring the Department of Public Safety (DPS) to transmit to the Department of Human Services (DHS) monthly reports listing newly admitted inmates.

Two concerned individuals supported this bill. DHS supported the intent of this measure. DPS submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776 and recommends that it pass Second Reading and be referred to the Committee on Human Services.

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

**SCRep. 219 Public Safety on H.B. No. 232**

The purpose of this bill is to provide accountability and transparency with regard to Hawaii prisoners by requiring privately owned prisons and out-of-state detention facilities to comply with state freedom of information laws.

The Drug Policy Forum, American Civil Liberties Union, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. The Office of Information Practices supported the intent of this measure. The Department of Public Safety testified in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 232 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 220 Public Safety on H.B. No. 336**

The purpose of this bill is to increase public safety and protection by requiring collection of deoxyribonucleic acid (DNA) samples and specimens from persons arrested for felony violent crimes.

The Representative from the 19<sup>th</sup> District supported this bill. The Department of the Attorney General (DOAG) and Maui County Police Department supported the intent of this measure. The Honolulu Police Department, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and a concerned individual opposed this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments.

Your Committee has amended this bill by:

- (1) Providing for permanent filing in the State DNA Database of data gathered from DNA samples and specimens collected from persons arrested for a felony violent crime;
- (2) Providing for an appropriation to be deposited into the DNA Registry Special Fund and authorizing the DOAG to expend the funds to reimburse county police departments for the collection and processing of DNA buccal swab samples and specimens; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 336, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 221            Public Safety on H.B. No. 1149**

The purpose of this bill is to:

- (1) Conform Hawaii's Controlled Substance Act to the federal Controlled Substance Act by adding certain narcotic drugs, a stimulant drug, and a list of anabolic steroids;
- (2) Clarify practitioner's registration suspension;
- (3) Amend and clarify pharmacy procedures related to controlled substance prescriptions; and
- (4) Amend language regarding administrative inspections of controlled premises to remove the warrant requirement.

The Department of Public Safety, Honolulu Police Department, Maui Police Department, Kaiser Permanente, and a concerned individual testified in support of this bill. Americans for Safe Access-Big Island Chapter and several concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1149 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 222            Public Safety on H.B. No. 1629**

The purpose of this bill is to facilitate efforts to increase emergency shelter capacity in the state by requiring the design and construction specifications of certain new state and county buildings, prior to construction, to be modified to meet the standards for emergency shelters, if deemed suitable and necessary by the Director of Civil Defense.

The Department of Defense and Disability and Communication Access Board supported this bill. The University of Hawaii supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1629 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

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

**SCRep. 223            Public Safety on H.B. No. 383**

The purpose of this bill is to improve disaster preparedness efforts by:

- (1) Allowing counties to:
  - (A) Require developers of residential housing developments consisting of 50 or more residential units to install tsunami warning sirens within the development, to be linked to the civil defense warning system; and
  - (B) Impose impact fees for the installation of tsunami warning sirens for residential housing developments consisting of fewer than 50 residential units;

and
- (2) Requiring the Disability and Communication Access Board to identify internationally recognized symbols to communicate, in the event of an emergency, through visual digital communications with persons who do not understand written or verbal communications.

The Department of Defense supported this bill. The Disability and Communication Access Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 383 and recommends that it pass Second Reading and be referred to the Committees on Housing and Water, Land, & Ocean Resources.

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

**SCRep. 224            Public Safety on H.B. No. 1014**

The purpose of this bill is to establish a single entity to coordinate enhanced 911 services beyond wireless telephone service. This bill expands the focus of the Wireless Enhanced 911 Board by:

- (1) Re-naming it the Enhanced 911 Board (Board); and
- (2) Broadening the representation on the Board to include representatives from the Public Utilities Commission, interconnected voice over Internet protocol device providers, and the common local exchange carrier or other alternative communications service providers.

This bill also eases the cost burden on wireless phone customers by reducing the monthly enhanced 911 surcharge from 66 cents to 46 cents. This surcharge also applies to wireline access communications service connections.

The Department of Accounting and General Services testified in support of this bill. Hawaiian Telcom and AT&T offered comments.

Upon further consideration, your Committee has amended this bill by replacing its provisions with language that:

- (1) Reduces the monthly wireless enhanced 911 surcharge from 66 cents to 29 cents;
- (2) Expands the use of the Wireless Enhanced 911 Fund to include cost recovery for improvements and maintenance of phase I and II wireless enhanced 911 service as well as costs expended by the wireline provider for such purposes; and
- (3) Prohibits any conflicts of interest by those hired by the Wireless Enhanced 911 Board to perform various administrative duties.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1014, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 225            Hawaiian Affairs on H.B. No. 1658**

The purpose of this bill is to integrate traditional Hawaiian knowledge and techniques into Department of Education (DOE) curriculum by establishing a two-year traditional Hawaiian navigation pilot program in schools on the west coast of Oahu that also includes and coincides with DOE science, technology, engineering, and math programs, as appropriate. This bill also appropriates funds for the pilot program.

The Office of Hawaiian Affairs, Kamehameha Schools, and Waianae Hawaiian Civic Club supported this bill. The Kamakakuokalani Center for Hawaiian Studies supported this measure with reservations. DOE supported the intent of this bill.

Your Committee finds that this measure is intended to improve the academic achievement of native Hawaiian students while at the same time revitalizing Hawaiian cultural practices.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1658 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 226            Hawaiian Affairs on H.B. No. 905**

The purpose of this bill is to allow the Aha Kiolo Advisory Committee (Committee) to fully establish the framework for an aha moku council system that uses Hawaiian methodology and expertise to ensure responsible stewardship of Hawaii's land and ocean by:

- (1) Extending the sunset date of the Committee from June 30, 2009, to June 30, 2011;
- (2) Moving the Committee from the Department of Land and Natural Resources to the Office of Hawaiian Affairs;
- (3) Appropriating funds for fiscal years 2009-2010 and 2010-2011, allowing the Committee to continue to perform its duties during those years; and
- (4) Requiring the Committee to submit an updated final report to the Legislature prior to the convening of the 2010 Regular Session.

The Aha Kiolo Advisory Committee, Ko'olaupoko Hawaiian Civic Club, and a concerned individual supported this bill. The Office of Hawaiian Affairs supported this measure and suggested amendments. Two concerned individuals opposed this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 905 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 227 Hawaiian Affairs on H.B. No. 1665**

The purpose of this bill is to protect access to Hawaiian cultural and subsistence activities and resources by prohibiting the Board of Land and Natural Resources from selling public land on which government-owned Hawaiian fishponds are located.

The Kuli'ou'ou Kalani Iki Neighborhood Board #2, Livable Hawaii Kai Hui, Maunalua Fishpond Heritage Center, Hawaii Nearshore Fisherman and several concerned individuals supported this bill. The Office of Hawaiian Affairs testified in support of this measure and offered amendments. The Department of Land and Natural Resources commented on this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1665 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 228 Hawaiian Affairs on H.B. No. 908**

The purpose of this bill is to encourage more Hawaiian and native Hawaiian individuals to pursue higher education goals by requiring the University of Hawaii (UH) to grant tuition waivers to each student enrolled in the UH System who is Hawaiian or native Hawaiian.

The Office of Hawaiian Affairs and several concerned individuals supported this bill. UH supported the intent of this measure. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Allowing students to prove that they are Hawaiian or native Hawaiian through their birth certificates, instead of an OHA Hawaiian registry enrollment card; and
- (2) Requiring that a student also demonstrate financial need to obtain a tuition waiver.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 908, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 908, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 229 Housing on H.B. No. 1071**

The purpose of this bill is to establish within the Department of Commerce and Consumer Affairs (DCCA) a licensure and regulation system over mortgage servicers of residential mortgage loans secured by residential real property located in Hawaii.

DCCA testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Placing the responsibility for licensing mortgage servicers under DCCA's Professional and Vocational Licensing Division, instead of the Division of Financial Institutions; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 230 Higher Education on H.B. No. 991**

The purpose of this bill is to ensure adequate access to medical care in rural, medically underserved areas of the state by establishing and appropriating funds for the Hawaii Medical Doctor Loan Program to provide financial assistance for:

- (1) Students who complete a state-approved medical school program at the University of Hawaii; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program,

who agree to practice in rural areas of the state.

The Hawaii Medical Service Association and Hawaii Primary Care Association testified in support of this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 991, H.D. 1, and recommends that it be referred to the Committee on Finance.

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



**SCRep. 231 Higher Education on H.B. No. 691**

The purpose of this bill is to ensure access to health care in rural areas by establishing and appropriating funds for the Hawaii Rural Health Care Provider Loan Repayment Program to provide student loan repayments to qualified physicians who commit to serving five consecutive years in federally designated health professional shortage areas of the state.

The Hawaii Primary Care Association, Hawaii Medical Service Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and The League of Women Voters of Hawaii testified in support of this bill. The Department of Health opposed this measure. A concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 691, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 232 Economic Revitalization, Business, & Military Affairs/Agriculture on H.B. No. 988**

The purpose of this bill is to further the State's efforts toward self-sufficiency by amending the Hawaii Procurement Code to make it more likely that agricultural products procured by government agencies will be products grown within the state. Among other things, this bill:

- (1) Removes exemptions for certain agricultural products from the Hawaii Procurement Code that were established under the Hawaii Administrative Rules;
- (2) Allows persons submitting bids or proposals to self-certify that their product meets minimum specifications to receive a preference as a Hawaii product and provides sanctions for the failure to meet minimum specifications;
- (3) Amends the definition of "Hawaii products" to be those in which the cost of the product attributable to labor, production, or other expenses arising in the state, exceeds 50, as opposed to 25 percent of the product's cost;
- (4) Consolidates class II and III Hawaii products under the category of class I products and defines class I as products where the value of Hawaii input into the product exceeds 50 percent of the total product cost;
- (5) Defines class II products as any agricultural, aquacultural, horticultural, silvicultural, floricultural, or livestock product raised, grown, or harvested in the state; and
- (6) Provides that the preference to be applied to a bid or proposal for class I Hawaii products is a ten percent decrease in the bid or proposal, and a 15 percent decrease for class II Hawaii products.

The Hawaii Farm Bureau Federation and Kona County Farm Bureau, supported this bill. The Department of Agriculture (DOA) opposed this measure. The State Procurement Office did not support the bill.

Your Committees heard testimony that repealing the exemption for food and fodder for animals would adversely impact DOA's ability to operate its Animal Quarantine Station and Airport Animal Quarantine Holding Facility. Upon further consideration, your Committees have amended this bill by reinstating the exemption for food and fodder for animals in the Hawaii Administrative Rules. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 988, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 988, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 233 Economic Revitalization, Business, & Military Affairs on H.B. No. 1606**

The purpose of this bill is to stimulate economic revitalization of business properties and business in Hawaii by establishing a mandatory lease-to-fee conversion program for business properties.

The Department of the Attorney General, Hawaii Housing Finance and Development Corporation, Department of Taxation, Kamehameha Schools, Alexander & Baldwin, Inc., and several concerned individuals opposed this bill.

Your Committee heard testimony from the Department of the Attorney General that this bill might violate the "takings" provisions of the Fourth and Fourteenth Amendments of the United States Constitution if no justifying public purpose was set forth in the bill.

Accordingly, this bill has been amended to include a purpose section. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1606, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Wakai.

**SCRep. 234 Economic Revitalization, Business, & Military Affairs on H.B. No. 984**

The purpose of this bill is to establish a high-speed communications infrastructure in Hawaii that will increase access to the information superhighway and enhance our ability to compete in the global economy. This bill implements key recommendations of the Hawaii Broadband Task Force by, among other things:

- (1) Consolidating regulation of cable and telecommunications providers in a new chapter of the Hawaii Revised Statutes, under a Hawaii Communications Commissioner (Commissioner);
- (2) Requiring the Commissioner to:
  - (A) Develop a comprehensive policy to ensure equitable access to high quality telecommunications services at reasonable rates;
  - (B) Develop programs and initiatives to facilitate the deployment of and access to broadband in Hawaii;
  - (C) Advocate the State's broadband, telecommunications, and video programming distribution policies and interests before federal, State and local government; and
  - (D) Maintain close working relationships with community groups, industry, and other stakeholders to ensure the State's interests and concerns are understood;
- (3) Allowing the Commissioner to fully or partially exempt telecommunications carriers from regulation, and to examine rate regulation alternatives including incentive regulation to increase broadband competition, availability, and affordability;
- (4) Establishing a work group to investigate and recommend procedures to streamline and expedite regulatory, franchising, and permitting for broadband services and technology; and
- (5) Requiring the Legislative Reference Bureau to review Hawaii statutes on broadband technology, telecommunications, and related subjects, and recommend conforming amendments and those that facilitate implementation of the new chapter.

The Department of Commerce and Consumer Affairs (DCCA), DCCA Cable Television Division, DCCA Division of Consumer Advocacy, High Technology Development Corporation, Akaku: Maui Community Television, and OLELO supported this bill. Hawaiian Telcom supported the intent of the measure. The Legislative Reference Bureau, University of Hawaii, Public Utilities Commission, and Verizon commented on the bill.

Your Committee finds that this bill should give the Hawaii Communications Commissioner the ability to make policy decisions independent of DCCA, and to speak directly with the Legislature and other government decision makers. Further, your Committee believes that this bill should continue to give public, educational, or governmental (PEG) access organizations meaningful access to cable and broadcast channels and the ability to bring unique local, new, or unpopular ideas to the attention of the public.

Your Committee has adopted certain provisions of a similar bill, H.B. No. 1077, in this measure, as well as amendments requested by PEG access organizations by:

- (1) Establishing a Hawaii Communications Commission (Commission) administratively attached to the Department of Commerce and Consumer Affairs;
- (2) Combining the definition of "access organization" with the definition of "PEG access organization" and adding production training to the services provided by PEG access organizations;
- (3) Specifying that section 26-34, Hawaii Revised Statutes (HRS), does not apply to the number of terms and consecutive number of years a person may be appointed as Commissioner;
- (4) Amending the Commission's telecommunications development duties to:
  - (A) Require the Commission no later than July 1, 2010, to investigate the extent to which residential and business telecommunications services are available from multiple providers and whether to reclassify these services as "fully competitive";
  - (B) Provide that the Commission's plans for broadband deployment may include measures to streamline broadband service provider access to public rights-of-way and facilities and related permitting and approval processes, encourage sharing of private infrastructure, and require sharing of public infrastructure; and
  - (C) Provide that Commission programs to facilitate broadband deployment and access may include programs to construct infrastructure that can be shared by competing broadband service providers;
- (5) Providing that penalties collected by the Commission shall be deposited in the Hawaii Communications Commission (HCC) Special Fund, instead of the general fund;
- (6) Requiring the Commission to keep confidential, proprietary and commercially sensitive information from a telecommunications carrier, cable operator, PEG access organization, or other person;
- (7) Including as permissible uses of the moneys in the HCC Special Fund, the operation of programs developed by the Commission to:
  - (A) Develop and construct or encourage the development and construction of broadband infrastructure; and
  - (B) Make broadband capable services available to low income and disadvantaged persons;
- (8) Amending the ratemaking provisions of the chapter by:
  - (A) Specifying that 30 days' notice is required for changes in rates, fares, charges, classifications, schedules, rules, or practices; and

- (B) Exempting from the 30-day notice requirement, changes that constitute an increase in service without a corresponding increase in any rate, fee, or charge;
- (9) Reducing the regulatory fee for telecommunications carriers from .3 percent to .25 percent;
- (10) Providing that if the Commission imposes additional fees on telecommunications carriers this must be done by rule pursuant to chapter 91, HRS;
- (11) Amending the cable system provisions by:
  - (A) Increasing from three to seven, the number of television channels and video streams that are to be designated by cable operators for PEG access organization use and requiring these channels to be of not less than equal value to the television channels;
  - (B) Requiring cable operators to designate up to ten percent of the total bandwidth capacity for PEG use as directed by the Commission by rule applying to all franchises uniformly; and
  - (C) Requiring cable operators to designate ten percent of total channel or bandwidth capacity for lease by third parties at reasonable rates for common carrier use in addition to PEG access organization use as determined by the Commission by rule applying to all franchises uniformly;
- (12) Funding the new Commission by:
  - (A) Transferring 50 percent of moneys collected by the PUC from telecommunications carriers into the HCC Special Fund;
  - (B) Transferring the unencumbered balance as of June 30, 2009, in the Cable Television Division subaccount in the Compliance Resolution fund into the HCC Special Fund; and
  - (C) Appropriating unspecified amounts out of the HCC Special Fund for fiscal years 2009-2010 and 2010-2011 for the Commission, including staff;
- (13) Requiring up to an additional ten general funded positions to be transferred and funded from the HCC Special Fund in addition to the eight positions to be transferred by DCCA and the PUC to the Commission;
- (14) Requiring the Commission not later than July 1, 2010, to begin to implement the recommendations of the working group formed under the Act to streamline broadband regulatory franchising and permitting procedures; and
- (15) Charging the Commission, instead of the Legislative Reference Bureau, with reviewing Hawaii laws relating to broadband and related subjects, and recommending amendments to conform these laws to the new Hawaii Communications Commission Law, or to facilitate implementation of that law.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 984, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Wakai.

**SCRep. 235 Education on H.B. No. 86**

The purpose of this bill is to propose an amendment to Article X, Section 2, of the Hawaii Constitution, to allow the student member on the Board of Education to vote.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 86 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 236 Education on H.B. No. 483**

The purpose of this bill is to help teachers provide a high-quality public education to our children by:

- (1) Streamlining the process by which teachers can purchase necessary school supplies and other curriculum support supplies; and
- (2) Providing teachers with flexibility for their purchases.

Specifically, this bill allows the principal of each public school to establish and use a debit card system for the purchase of school supplies and other related curriculum support supplies.

The Hawaii State Teachers Association testified in support of this bill. VISA, Inc., supported the intent of this measure. The Department of Education opposed this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 483 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 237 Education on H.B. No. 1376**

The purpose of this bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education.

Specifically, this bill provides for the timely construction, expansion, consolidation, or closure of public schools in Hawaii through an objective and transparent process that:

- (1) Includes the establishment of a Facilities Alignment Commission (FAC); and
- (2) Directs the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing schools according to the recommendations of the FAC, if the Legislature does not disapprove of the recommendations in their entirety.

The Chamber of Commerce of Hawaii, Hawaii Developers' Council, and Building Industry Association of Hawaii testified in support of this bill. The Department of Education offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1376 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 238 Education on H.B. No. 650**

The purpose of this bill is to maximize the benefit of the Keanae School property for the Keanae community by:

- (1) Requiring the Department of Education (DOE) to transfer jurisdiction of the Keanae School property and all improvements on the property to the Department of Land and Natural Resources (DLNR); and
- (2) Requiring DLNR to work with the Keanae community to develop plans for the future uses of Keanae School.

DOE testified in support of this bill. DLNR offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 650 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

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

**SCRep. 239 Education on H.B. No. 1431**

The purpose of this bill is to more effectively implement a method of financing in part, new or the expansion of existing Department of Education (DOE) educational facilities in partnership with developers of new residential development by clarifying and better organizing the statutory provisions for school impact fees.

DOE testified in support of this bill. The Chamber of Commerce of Hawaii, Hawaii Developers' Council, and Building Industry Association of Hawaii opposed this measure.

Your Committee has amended this bill by including in the school impact fee provisions, schools that serve students in the school impact district but are not necessarily physically located within the boundaries of the school impact district.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1431, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

**SCRep. 240 Education on H.B. No. 1648**

The purpose of this bill is to provide parents of children with disabilities additional flexibility in choices relating to education by:

- (1) Including classes in home schools as special classes through which appropriate services are rendered to exceptional children;
- (2) Allowing children with disabilities to attend schools outside of their district of residence; and
- (3) No longer allowing the Department of Education (DOE) to offer for purchase special education services to charter schools.

Several concerned individuals testified in support of this bill. DOE offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provision including classes in home schools as special classes through which appropriate services are rendered to exceptional children; and
- (2) Specifying that children with disabilities shall be granted permission to attend a school outside of their district of residence, in the same manner provided to children without disabilities.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1648, H.D. 1, and be referred to the Committee on Health.

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

**SCRep. 241 Education/Higher Education on H.B. No. 1082**

The purpose of this bill is to allow the community to directly support science, technology, engineering, and mathematics (STEM) education which contributes to the development of an internationally competitive and thriving labor force within the state, by establishing a tax credit for donations made to qualifying STEM academies at schools in Hawaii.

The Office of the Governor, Department of Education (DOE), Department of Taxation, and Department of Business, Economic Development, and Tourism (DBEDT) testified in support of this bill. The University of Hawaii (UH) and UH at Manoa College of Engineering supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Specifying that the tax credit is applicable to donations to qualifying STEM programs, rather than only STEM academies;
- (2) Requiring eligible donations to be verified by DBEDT in consultation with DOE, the Career and Technical Education program office, and UH community colleges;
- (3) Requiring qualifying STEM programs to be approved by DBEDT in collaboration with DOE, the Career and Technical Education program office, and UH community colleges;
- (4) Raising the total amount of certified donations from not exceeding \$500,000 to not exceeding \$1,000,000 per year; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1082, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1082, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 242 Public Safety on H.B. No. 397**

The purpose of this bill is to ban the sale, use, and possession of all fireworks in counties with populations of more than 500,000.

The Honolulu Police Department, American Lung Association in Hawaii, and many concerned individuals testified in support of this bill. The State Fire Council, Kauai Fire Department, Honolulu Fire Department, and Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. Legislative Information Services of Hawaii opposed this bill.

Your Committee has amended this bill by removing its substance and replacing it with contents that:

- (1) Requires fireworks retailers to submit an annual report on the volume and type of consumer fireworks sold;
- (2) Establishes a Consumer Fireworks Surcharge Tax and the Consumer Fireworks Surcharge Special Fund; and
- (3) Requires the Department of Health to conduct a study to determine the health effects of consumer fireworks on children under the age of 18.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 397, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 243 Public Safety on H.B. No. 398**

The purpose of this bill is to protect the health of communities throughout Hawaii by establishing a statewide ban on fireworks.

The American Lung Association of Hawaii and numerous concerned individuals supported this bill. The State Fire Council, Honolulu Fire Department, Department of the Prosecuting Attorney of the City and County of Honolulu, and the Kauai Fire Department supported the intent of this measure. Legislative Information Services of Hawaii and Pinky's 5 Eight opposed this bill. A concerned individual submitted comments.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 966 which allows counties to enact ordinances or adopt rules regulating fireworks that are more restrictive than the state law regulating fireworks under Chapter 132D, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 398, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 244      Transportation on H.B. No. 1159**

The purpose of this bill is to increase highway safety by establishing graduated sentencing provisions for the offense of reckless driving of a vehicle.

The Department of Transportation (DOT) testified in support of this bill. The Office of the Public Defender (OPD) testified in opposition to this measure. The Judiciary submitted comments.

In recent years, the number of incidents involving reckless driving on Hawaii's roadways has increased. According to Hawaii's Judicial Information Management System, there were 972 and 963 citations issued statewide for reckless driving in 2007 and 2008, respectively. In addition, DOT reported that the Fatality Analysis Reporting System indicated that 398 fatal motor vehicle crashes occurred in Hawaii from 2005 through 2007, with 34 per cent of those crashes attributed to characteristics of reckless driving.

Your Committee finds that reckless drivers not only endanger their own safety but the safety of all roadway users, including bicyclists and pedestrians. Establishing a graduated sentencing structure for the offense of reckless driving of a vehicle will serve as a deterrent to this type of behavior.

However, your Committee understands the concerns raised by OPD that the sentencing provisions may be too stringent and severe for first-time offenders and respectfully requests the Committee on Judiciary to review these concerns as this bill makes its way through the legislative process.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1159 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 245      Transportation on H.B. No. 1163**

The purpose of this bill is to protect the State from costly lawsuits filed by certain users of the State's commercial harbors by allowing the Department of Transportation (DOT) to adopt rules that would require certain private persons engaged in commercial activities that use or occupy the State's commercial harbors to defend, indemnify, and hold harmless the State, and any of its agencies, officers, and employees, against all claims that arise from the private person's use or occupation of the facility.

DOT testified in support of the bill. The Hawaii Harbors Users Group (HHUG) submitted comments and concerns.

Business and commercial use occurs at Hawaii's harbors statewide. During the normal course of business, individuals may be injured or property damaged, sometimes as a result of the inappropriate actions or negligence of a business, employees or individuals associated with a business, or individuals associated with a particular commercial activity occurring at a state harbor. While claims are filed against the businesses or individuals who acted negligently, claims have also been filed against the State as the landowner.

In an attempt to address this type of situation, DOT, to the extent possible, has imposed a duty on tenants and permittees to defend, indemnify, and hold harmless the State through provisions in lease agreements or revocable permits. However, there are some commercial activities and some permittees operating commercial activities at state harbor facilities that do not have, nor are required to have, because of the transient nature of their operation, lease agreements or revocable permits with DOT. To address these businesses and commercial activities, DOT promulgated Chapter 19-20.1, Hawaii Administrative Rules, to impose duties on these permittees and commercial activities to defend, indemnify, and hold the State harmless. Yet, these rules have been called into question by the Hawaii Supreme Court in William Haole v. State of Hawaii, 111 Haw. 144 (2006), where the court concluded that DOT's governing statutes did not explicitly or implicitly authorize DOT to promulgate rules to allow DOT to impose a duty to defend or indemnify the State upon private parties using state harbors.

Your Committee finds that this measure will address the need to provide DOT with explicit authority to impose the duty to defend, indemnify, and hold the State harmless on users of state commercial harbor facilities and thus reduce costly lawsuits against the State.

Your Committee also notes that discussions have taken place with regard to a possible amendment to this measure that would provide for a more equitable application of liability depending upon the degree of responsibility attributable to a party to the incident. Your Committee understands that DOT and HHUG will be working together to provide language for consideration by the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 246      Transportation on H.B. No. 53**

The purpose of this bill is to allow owners of antique motor vehicles to operate their vehicles on state highways for limited purposes.

A concerned individual testified in support of this bill. The Department of Customer Services of the City and County of Honolulu testified in opposition to this measure. The Department of Taxation submitted comments.

Currently, antique motor vehicles pay an annual fee of \$10 for registering their vehicles and are not subject to county vehicle weight taxes because of their limited use of the roads. Because of this, these vehicles are restricted in their use of Hawaii's roadways. However, some owners of antique motor vehicles want to drive their vehicles on Hawaii's roads on a more frequent basis. Your Committee finds that allowing these individuals to do so should be accompanied by a corresponding payment of county vehicular weight taxes.

Accordingly, your Committee has amended this bill by:

- (1) Inserting language imposing the county vehicle weight tax on antique motor vehicles;
- (2) Inserting language maintaining the \$10 annual vehicle registration fee for those antique motor vehicle owners who choose not to use their vehicles as currently provided by law; and
- (3) Deleting language allowing the use of antique motor vehicles on Hawaii's roads for limited purpose.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 53, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 53, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 247            Tourism, Culture, & International Affairs on H.B. No. 963**

The purpose of this bill is to allow funds from the Works of Art Special Fund to be used for art and artifacts to be placed in the Bernice Pauahi Bishop Museum and Iolani Palace.

The Office of Hawaiian Affairs, Historic Hawaii Foundation, Bishop Museum, and The Friends of Iolani Palace testified in support of this bill. The Hawaii State Foundation on Culture and the Arts opposed this measure. The Department of Accounting and General Services offered comments.

Your Committee notes that Act 291, Session Laws of Hawaii (SLH) 2007, amended section 6E-35, Hawaii Revised Statutes (HRS), to designate the Friends of Iolani Palace as the State of Hawaii Museum of Monarchy History. Act 398, SLH 1988, designated the Bernice Pauahi Bishop Museum as the State of Hawaii Museum of Natural and Cultural History, as referenced in section 6E-40, HRS. These statutory designations permit the Friends of Iolani Palace and Bishop Museum to receive state funds upon meeting applicable provisions.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 963, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

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

**SCRep. 248            Health on H.B. No. 701**

The purpose of this bill is to allow the Hawaii Health Systems Corporation (HHSC) to substantially reduce or eliminate direct patient care services at its facilities after a community informational meeting, approval from the HHSC Regional System Board, ratification by the HHSC Board, and notice to the Governor and the Legislature. The reinstatement of the affected services can occur only with the enactment of appropriate legislation, including funding.

HHSC, the Kauai Region of HHSC, and the West Hawaii Region of HHSC testified in support of the bill. The Hawaii Government Employees Association submitted testimony in opposition to the measure. Comments were received by ILWU Local 142.

To facilitate further discussion, your Committee has amended this bill by:

- (1) Inserting a defective effective date of July 1, 2020; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 701, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 249            Economic Revitalization, Business, & Military Affairs on H.B. No. 1429**

The purpose of this bill is to help economically disadvantaged youth obtain the essential skills and outlook they need to succeed in life, by appropriating funds for the About Face Family of Programs.

These after-school and summer outreach programs are sponsored by the National Guard and funded through federal Temporary Assistance for Needy Families (TANF) funds that includes job and life skills classes, and a program in which members of our Hawaii National Guard share their experiences and serve as mentors to program participants.

The Department of Defense and Department of Human Services supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Specifying that About Face programs and services are provided during non-school hours as required by Temporary Assistance for Needy Families regulations;
- (2) Providing that the Department of Human Services is to expend the TANF funds;
- (3) Striking out the appropriation amount to encourage further discussion of the issues; and

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1429, H.D. 1, and be referred to the Committee on Human Services.

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

**SCRep. 250 Economic Revitalization, Business, & Military Affairs on H.B. No. 1601**

The purpose of this bill is to support business and economic development by addressing certain inequities in the lease relationship between fee simple owners of commercial and industrial properties and holders of long-term leases of those properties.

The Department of Taxation, Alexander and Baldwin, Inc. Kamehameha Schools, HRPT Properties Trust, Land Use research Foundation of Hawaii, RMR LLC, and several concerned individuals opposed this bill. The Tax Foundation of Hawaii commented on this measure.

Your Committee finds that increasing numbers of small businesses are losing their leases during this economic downturn, and it is anticipated that the number of foreclosures of commercial properties will continue to increase. Your Committee has amended this bill to adopt a temporary moratorium on all commercial, retail, and industrial lease rents, including annual or periodic rent step-ups already negotiated, ending December 31, 2010.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1601, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 251 Human Services/Health on H.B. No. 703**

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating state funds to maximize the availability of the federal disproportionate share hospital allowance.

Specifically, this bill appropriates \$10,181,909 for fiscal year 2009-2010 as the State's share to maximize the availability of the federal disproportionate share hospital allowance to the State.

Your Committees received testimony in support of this bill from the Chamber of Commerce of Hawaii, Kaiser Permanente, Hawaii Medical Services Association, Healthcare Association of Hawaii, and the American Association of Retired Persons, Hawaii. The Department of Human Services submitted testimony in opposition.

Your Committees find that Medicaid is the cornerstone of health care for the State's most needy population and that it is in the public interest to ensure that health care payments made with state funds or controlled by the State are sufficient to cover the actual costs of care. However, Hawaii's hospitals have annually lost millions of dollars because government reimbursement falls far short of the cost of providing medical care. Through the continued efforts of Hawaii's congressional delegation, a federal Medicaid disproportionate share hospital allowance of \$12,500,000 has been secured for Hawaii.

Your Committees find that the matching state appropriation is necessary for the expenditure of these federal funds to help provide continuing health care in the State's communities.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 703 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 252 Human Services/Health on H.B. No. 704**

The purpose of this measure is to require the Department of Health to temporarily license home care agencies until June 30, 2014.

This measure also appropriates an unspecified amount of funds to the Department for one full-time position to assist in licensure and monitoring of home care agencies.

Your Committees find that this measure is necessary to ensure that agencies providing home care services to consumers meet minimum standards relating to the health, safety, and welfare of consumers. Home care services is a rapidly growing sector of the health care continuum and is a cost-effective service for many individuals. Without mandatory licensure, the safety of those who receive home care is at risk, especially since home care is in many cases provided to frail, elderly, or disabled consumers.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 704 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 253 Human Services/Health on H.B. No. 705**

The purpose of this bill is to facilitate and expedite the provision of medicaid services to presumptively medicaid eligible individuals who are waitlisted to receive long-term care and other types of care.

Specifically, this bill requires the Department of Human Services to presume that a waitlisted patient applying for medicaid is, in fact, eligible for coverage, thus speeding the delivery of medicaid services to the patient; provided that the applicant is able to show proof of:



- (1) Annual income at or below the maximum level allowed under federal law or waiver;
- (2) Verification of assets;
- (3) Confirmation of waitlisted status; and
- (4) Meeting the level of care requirement for institutional or home- and community-based long-term care.

If the applicant is determined at a later date to be ineligible, the Department of Human Services is required to disenroll the patient and reimburse the medicaid services provider for the time during which the waitlisted patient was enrolled.

The bill also requires the Department of Human Services to report findings and recommendations to the Legislature no later than twenty days prior to the convening of the 2011 regular session regarding the costs and other issues related to the implementation of medicaid presumptive eligibility. Finally, this bill appropriates \$200,000 in each of fiscal year 2009-2010 and fiscal year 2010-2011 to cover the cost of any reimbursements made to providers or plans for services provided during the time waitlisted patients are enrolled but eventually determined to be ineligible.

Your Committees received testimony in support of this bill from the Chamber of Commerce of Hawaii, Kaiser Permanente, Healthcare Association of Hawaii, Hawaii Disability Rights Center, and Hawaii Pacific Health. The Department of Human Services submitted testimony in opposition.

Your Committees find that there are at any given time two hundred waitlisted patients in acute care hospital settings across the State who are deemed medically ready for discharge and are no longer in need of acute care services, but who cannot be discharged due to various barriers, such as delays in medicaid eligibility determinations. Discharge for waitlisted patients may take a few days to over a year. This situation creates a poor quality of life for the patient, presents an often insurmountable dilemma for providers and patients, and causes a serious drain on the financial resources of acute care hospitals, with ripple effects felt throughout other health care service sectors.

Your Committees find that it is in the State's best interest to ensure that medicaid eligible patients waitlisted for long-term care or other types of care receive appropriate medical care by authorizing the Department of Human Services to apply medicaid presumptive eligibility to qualified waitlisted patients.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 705 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 254 Human Services/Health on H.B. No. 1064**

The purpose of this measure is to make an emergency appropriation of \$60,000,000 from the emergency and budget reserve fund to replace general funds appropriated for the health care payments program (HMS 401) of the Department of Human Services to address the budget shortfall in fiscal year 2008-2009.

The Department of Budget and Finance submitted testimony in support of this measure. The Department of Human Resources submitted comments on this measure.

Your Committees find that the health care payments program is essential to the public health, safety, and welfare of the people of the State. Accordingly, your Committees find that this emergency appropriation will assist in maintaining the funding for the health care payments program for fiscal year 2008-2009.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1064 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 255 Human Services on H.B. No. 736**

The purpose of this measure is to provide a refundable state earned income tax credit to qualified Hawaii taxpayers.

The tax credit would be equal to twenty per cent of the federal earned income tax credit and the refundable portion of the earned income tax credit would be reimbursed with temporary assistance for needy families funds.

Your Committee received testimony in support of the measure from the Hawaii Alliance for Community-Based Economic Development. The Department of Human Services submitted testimony opposed to this measure and the Department of Taxation submitted comments.

Your Committee finds that a state earned income tax credit is an important economic development tool for families that allows them to use the credit to purchase basic needs and build assets. Building assets fosters financial independence and encourages families to save and to ultimately attain financial success.

Your Committee also finds that utilizing temporary assistance for needy families funds to pay for the refundable portion of the tax credit will allow the State to maximize the use of such funds while supporting those most in need of financial assistance.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 736 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 256 Human Services on H.B. No. 739**

The purpose of this bill is to direct the allocation of Temporary Assistance for Needy Families (TANF) funds to provide for:

- (1) The provision of monthly cash benefits;
- (2) Employment training programs; and
- (3) Teenage pregnancy education programs.

The Department of Human Services (DHS), State Department of Defense, Office of Youth Services, Hawaii Youth Services Network, Hale Kipa, and many concerned individuals testified in support of this bill.

Your Committee emphasizes that DHS is in agreement with the intent and direction of this measure. DHS has made it clear that it is willing to negotiate with the involved stakeholders to ensure that funding is appropriately allocated.

Accordingly, your Committee has amended this bill by:

- (1) Indicating funding amounts for each provision;
- (2) Appropriating funds for two fiscal years;
- (3) Generally expanding the purposes for the original funding items in this bill;
- (4) Adding a new Part VI to:
  - (A) Transfer TANF funds to the Social Services Block Grant and Child Care Development Fund;
  - (B) Fund information systems costs related to the TANF program; and
  - (C) Provide for TANF administrative costs; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 739, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 257          Tourism, Culture, & International Affairs on H.B. No. 960**

The purpose of this bill is to provide flexibility to the Hawaii Tourism Authority (HTA) in a tourism emergency by:

- (1) Defining "tourism emergency";
- (2) Removing references to specific situations that constitute a tourism emergency in the existing statute;
- (3) Removing the provision requiring the Governor to declare that a tourism emergency exists;
- (4) Removing stipulations that tourism emergency response measures not adversely affect organized labor in tourism-related industries; and
- (5) Requiring HTA to develop plans and programs meeting specific criteria.

HTA, the Hawaii Hotel and Lodging Association, and Outrigger Hotels testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. UNITE HERE! Local 5 opposed this bill.

Your Committee notes that concerns were raised with the language in this measure as originally drafted and took those concerns into consideration in amending this measure.

Accordingly, your Committee has amended this bill by replacing its substantive content with a provision that expands the description of a tourism emergency to include a regional or worldwide economic crisis. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 960, H.D. 1, and be referred to the Committee on Public Safety.

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

**SCRep. 258          Water, Land, & Ocean Resources on H.B. No. 1808**

The purpose of this bill is to require landowners of properties adjacent to the shoreline to maintain public transit corridors free from obstruction and human-induced, enhanced, or unmaintained shoreline vegetation that grows in a way that there is no reasonably safe transit for the public along the shoreline, similar to an existing city ordinance requiring property owners to maintain adjacent sidewalks and allowing the city to be reimbursed by the property owner if the sidewalk is not maintained by the property owner in a timely manner.

The Office of Planning, Sierra Club-Hawaii Chapter, Beach Access Hawaii, Hui Hoomalu i ka Aina, Kuliouou/Kalani Iki Neighborhood Board #2, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) and Office of Hawaiian

Affairs supported this measure with amendments. The Department of Planning and Permitting of the City and County of Honolulu opposed this bill. The Hawaii Developer's Council provided comments.

Your Committee has amended this bill by:

- (1) Requiring DLNR to provide written notice of violations of this law only to landowners who are obstructing access to public property, instead of requiring DLNR to provide written notice of the change in law to all affected property owners;
- (2) Changing the public transit corridor area from "seaward of the highest wash of the highest wave during the season of high surf," to "seaward of the shoreline as defined in section 205A-1," Hawaii Revised Statutes (HRS);
- (3) Authorizing the counties to, instead of eliminating the requirement for the counties to, establish public transit corridors through condemnation in areas of cliffs or areas where the nature of the topography is such that there is no reasonably safe transit corridor;
- (4) Providing in Chapter 115, HRS, instead of section 183C-3, HRS, DLNR's authority to maintain shoreline public transit in conservation districts along beach corridors by requiring private property owners to remove human-induced, enhanced, or unmaintained vegetation from beaches or pay for the cost of removal incurred by DLNR;
- (5) Removing redundancies in the bill for maintaining coastal recreational access to and along the shoreline for public use; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1808, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 259 Hawaiian Affairs on H.B. No. 1806**

The purpose of this bill is to implement the recommendations of the 'Aha Kiolo Advisory Committee and establish an Aha Moku System in a new chapter of the Hawaii Revised Statutes.

A concerned individual supported this bill. Another individual supported this bill with reservations. The Aha Kiolo Advisory Committee (Advisory Committee) supported the intent of this measure and recommended amendments. The Department of Land and Natural Resources, Malama Kukuio Kane, and several concerned individuals opposed this measure.

Your Committee recognizes that the failure to release the funds contained in Act 212, Session Laws of Hawaii (SLH) 2007, establishing the Advisory Committee, has delayed completion of its work. Your Committee also recognizes the Advisory Committee's concerns about this bill and its recommendation that the Legislature take the time needed to complete the community consultation process and finalize the Aha Moku System using community input already garnered through public meeting.

Further, your Committee believes that the Advisory Committee has the flexibility under Act 212, SLH 2007, to work with traditional Hawaiian land management councils that already exist in the community and move forward with the establishment of a statewide Aha Moku System.

Accordingly, your Committee has amended this bill by replacing its substance with provisions that:

- (1) Extend the sunset date of the Aha Kiolo Advisory Committee from June 30, 2009, to June 30, 2011; and
- (2) Require the Aha Kiolo Advisory Committee to submit a final report of its work to the Legislature at least 20 days prior to the 2010 regular legislative session.

Technical, nonsubstantive amendments have also been made for clarity and style

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1806, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Brower, Mizuno and Ward.

**SCRep. 260 Human Services on H.B. No. 724**

The purpose of this measure is to modify some of the State's income tax "check off" provisions.

Specifically, the measure broadens taxpayers' choices when donating a portion of their tax refund to the Hawaii Children's Trust Fund, and the domestic violence and sexual assault special funds within the Department of Health, the Department of Human Services, and the Judiciary.

Under current law, an individual taxpayer with a state income tax refund of \$5 or more may designate \$5 of the refund to be donated to the Hawaii Children's Trust Fund, the domestic violence and sexual assault special fund of the Department of Health, the spouse and child abuse special account of the Department of Human Services, and the spouse and child abuse special account of the Judiciary. This measure would amend the law by allowing an individual taxpayer with a state income tax refund of \$8 or more to designate either \$5 or \$8 of the refund for donation.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Action Center, and Oahu VOICES.

The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 724 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 261            Judiciary on H.B. No. 782**

The purpose of this bill is to adopt the Uniform Mediation Act.

Mediation is a process by which a third party facilitates communication and negotiation between parties to a dispute to assist them in reaching a voluntary agreement to resolve the dispute.

Under present law, mediation communications are covered by the Hawaii Rules of Evidence, Rule 408. This bill provides more protection for mediation communications by establishing an evidentiary privilege for mediators and participants in mediation. It ensures that information disclosed in mediation will be privileged in later proceedings. The bill applies to most mediations, except those involving collective bargaining, minors in the primary or secondary school peer-review context, or youth in a correctional institution if all parties reside in the institution, or mediations that are conducted by a judge who might make a ruling on the case.

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

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 782, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, McKelvey, Morita and Wakai.

**SCRep. 262            Energy & Environmental Protection on H.B. No. 279**

The purpose of this bill is to effectuate its title.

H.B. No. 279 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the action to report out H.B. No. 279, as amended herein, and recommends that it be recommitted to the Committee on Energy & Environmental Protection, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 279, H.D. 1.

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

**SCRep. 263            Energy & Environmental Protection on H.B. No. 281**

The purpose of this bill is to effectuate its title.

H.B. No. 281 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the action to report out H.B. No. 281, as amended herein, and recommends that it be recommitted to the Committee on Energy & Environmental Protection, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 281, H.D. 1.

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

**SCRep. 264            Energy & Environmental Protection on H.B. No. 1807**

The purpose of this bill is to effectuate its title.

H.B. No. 1807 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1807, as amended herein, and recommends that it be recommitted to the Committee on Energy & Environmental Protection, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1807, H.D. 1.

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

**SCRep. 265            Economic Revitalization, Business, & Military Affairs on H.B. No. 1704**

The purpose of this bill is to effectuate its title.

H.B. No. 1704 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1704, as amended herein, and recommends that it be recommitted to the Committee on Economic Revitalization, Business, & Military Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1704, H.D. 1.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 266            Tourism, Culture, & International Affairs on H.B. No. 253**

The purpose of this bill is to encourage the hotel industry to improve their facilities by establishing a hotel renovation tax credit for hotels with low occupancy rates that allows a percentage of the cost incurred by the hotel for renovations to be deducted from the taxpayer's income tax liability.

The Hawaii Tourism Authority and Outrigger Hotels testified in support of this bill. The Hawaii Hotel & Lodging Association supported the intent of this measure. The Department of Taxation opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 253, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 267            Health on H.B. No. 532**

The purpose of this measure is to create a Good Samaritan policy regarding drug overdoses, also known as medical amnesty.

More specifically, this measure provides limited immunity to individuals seeking medical assistance for victims of drug overdoses. It also provides limited immunity for drug overdose victims themselves if they are in need of medical care.

The Drug Policy Forum of Hawaii provided testimony in support of the measure.

Drug overdoses commonly occur in the presence of family, friends, and acquaintances. In some instances, these individuals also may be using controlled substances, along with the person who overdoses. Because of the criminal nature of possessing controlled substances, people hesitate to call for emergency medical assistance for a drug overdose and attempt their own life-saving techniques, thus delaying necessary medical treatment that could save the life of a drug overdose victim.

Your Committee finds that the medical amnesty proposed in this measure, which is modeled after New Mexico legislation and university policies across the country, will encourage individuals to call for medical assistance after witnessing a drug overdose and is likely to save lives in emergency situations. Limiting amnesty only to those who may be using controlled substances, rather than selling drugs to the person, who overdoses, achieves this goal without providing amnesty for dealing drugs.

Your Committee also finds that this measure will not promote drug abuse, because at the point of a drug overdose any deterrent of criminal punishment for a victim clearly is too late to prevent the abuse. Rather this measure would enable a person to make a life-saving decision promptly and without hesitation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 532 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 268            Education/Labor & Public Employment on H.B. No. 172**

The purpose of this bill is to help improve student academic performance by:

- (1) Allowing the Superintendent of Education (Superintendent) to reconstitute a public school, except a charter school, which has been in restructuring for three or more school years; and
- (2) Allowing the Superintendent to recommend to the Charter School Review Panel (Panel) actions that should be taken to reconstitute a charter school which has been in restructuring for three or more school years, and recommend that the Panel revoke the charter school's charter.

The Department of Education (DOE) testified in support of this bill. The Hawaii State Teachers Association and Hawaii Government Employees Association opposed this measure. The Charter School Administrative Office offered comments.

Your Committees have amended this bill by:

- (1) Changing the number of years that a school must be in restructuring to qualify for reconstitution from three or more school years to four or more school years;
- (2) Requiring that the school must also have not advanced significantly toward improving academic performance as determined by a statistical analysis of academic data;
- (3) Allowing the Superintendent to reconstitute a school only after certain considerations have been made;
- (4) Requiring the Superintendent to make a recommendation to the Board of Education to reconstitute the school, taking into consideration the recommendation of the complex area superintendent, if any;
- (5) Requiring DOE to negotiate with the respective unions the process of reassigning employees of the school to be reconstituted, to other DOE positions for which the employees are qualified; and
- (6) Requiring DOE to follow the current hiring and recruiting procedures for all qualified employees to be employed at the reconstituted school.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 172, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 172, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 269 Education/Labor & Public Employment on H.B. No. 1377**

The purpose of this bill is to clarify the retention of civil service status of employees at Waialae and Lanikai elementary schools, department schools that converted into conversion charter schools.

No testimony was received for this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1377 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 270 Education on H.B. No. 493**

The purpose of this bill is to allow home schooled students to participate on an equal basis in extracurricular activities offered by public schools.

Several concerned individuals testified in support of this bill. Two concerned individuals supported this bill with amendments. The Department of Education and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 493 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 271 Education on H.B. No. 1688**

The purpose of this bill is to assist the Department of Education (DOE) in addressing its repair and maintenance needs by increasing, from \$2 to \$5, the amount taxpayers can designate on their income tax return forms to be deposited into the School-level Minor Repairs and Maintenance Special Fund and Libraries Special Fund.

DOE and Hawaii State Public Library System testified in support of this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1688 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 272 Education on H.B. No. 1686**

The purpose of this bill is to establish a funding mechanism to ensure that charter schools receive fair and equitable funding.

The Department of Education testified in support of this bill. The Office of Hawaiian Affairs, Kamehameha Schools, Hawaii Association of Independent Schools, Council for Native Hawaiian Advancement, and two concerned individuals supported the intent of this measure. The Department of Budget and Finance (B&F), Charter School Administrative Office (CSAO), Hawaii Charter Schools Network, and several concerned individuals opposed this bill. Kualapuu School, Kamaile Academy, Hookakoo Corporation, and a member of the Charter School Review Panel (Panel) offered comments.

Your Committee has amended this bill by replacing its contents with the following provisions:

- (1) Requiring the executive director of CSAO to prepare a separate capital improvement projects budget for charter school facilities, which shall be submitted to the Panel for approval and, upon approval, submitting the capital improvement projects budget for charter school facilities directly to B&F; and

- (2) Requiring the executive director of CSAO to include a report of all means of financing in its preparation of the charter school budget.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 273 Education on H.B. No. 985**

The purpose of this bill is to return the Department of Education (DOE) to a system divided by districts in lieu of the current complex area structure.

Several concerned individuals testified in support of this bill. DOE, the Hawaii Government Employees Association, and Hawaii State Teachers Association offered comments.

Your Committee has amended this bill by replacing its contents with the following provisions to improve accountability and transparency in the public schools by:

- (1) Requiring DOE, in its evaluation of the effectiveness of complex area superintendents and principals in supporting fiscal accountability, to include an evaluation of the accountability measures taken in regards to the use of resources by schools;
- (2) Requiring each principal to develop and present to the school community council (SCC) the school budget process as it aligns with the school's academic and financial plans;
- (3) Requiring the Board of Education to develop an appeals process for SCCs to appeal decisions made by the principal;
- (4) Requiring school principals to exercise various means available, including electronic media and websites, to engage and consult with teachers, parents, and students to solicit input and advice on the use of money, positions, and other resources available to the school; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 985, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 274 Education on H.B. No. 983**

The purpose of this bill is to enhance traffic safety, especially around Hawaii's schools, by requiring the Director of Transportation to:

- (1) Conduct a statewide pupil travel evaluation, through the Safe Routes to School Coordinator, to study how students get to school;
- (2) Use the information gained from the evaluation to provide funds to each school for school-based workshops and community-based planning to reduce vehicular traffic and congestion around schools, encourage walking and bicycling to school, and promote health and safety for students;
- (3) Develop a streamlined application process for federal Safe Routes to School grants; and
- (4) Submit to the Legislature a report of the results of the evaluation and the school-based workshops and community-based planning projects funded by the Safe Routes to School Program.

The Department of Transportation testified in opposition to this bill. The Department of Education offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 275 Education on H.B. No. 986**

The purpose of this bill is to provide buildings that are critical to the health and educational well-being of Hawaii's students, decrease energy demands on Hawaii's public school system, and stimulate economic growth by requiring the:

- (1) Construction and renovation of public school facilities to meet the standards of the Collaborative for High Performance Schools;
- (2) Replacement of old portable buildings with high-performance classrooms; and
- (3) Prioritization of public school facilities projects in accordance with certain criteria.

The Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The Laborers' International Union of North America Local 368 supported the intent of this measure. The Department of Education and The Soap and Detergent Association offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 276 Education on H.B. No. 329**

The purpose of this bill is to assure comprehensive sex education for Hawaii's youth, including providing them with reliable information regarding contraception and protection from sexually transmitted diseases, by requiring the State to reject all Title V federal funding for mandated abstinence-only-until-marriage programs.

The Department of Education, Planned Parenthood of Hawaii, Hawaii State Democratic Women's Caucus, Hawaii Youth Services Network, American Civil Liberties Union of Hawaii, American Association of University Women, Hawaii Division, and several concerned individuals testified in support of this bill. The Hawaii Women's Political Caucus supported this measure with amendments. The Department of Health, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and Catholic Charities Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 329, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Manahan, Rhoads and Shimabukuro.  
(Representatives Ching and Finnegan voted no.)

**SCRep. 277 Education on H.B. No. 330**

The purpose of this bill is to ensure the delivery of accurate sex education information by requiring any sexuality health education program that receives state funding to provide medically-accurate, factual, and age-appropriate information that includes education on abstinence, contraception, and methods of disease prevention.

The Department of Education, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, American Civil Liberties Union of Hawaii, Hawaii State Democratic Women's Caucus, Hawaii Women's Political Caucus, Nursing Advocates & Mentors, Inc., Hawaii Youth Services Network, American Association of University Women, Hawaii Division, a member of the Board of Education, and several concerned individuals testified in support of this bill. The Department of Health, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 330, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Manahan, Rhoads and Shimabukuro.  
(Representatives Ching and Finnegan voted no.)

**SCRep. 278 Health on H.B. No. 710**

The purpose of this bill is to effectuate its title.

H.B. No. 710 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Upon consideration, your Committee has amended this bill by deleting its content and by replacing it with language exempting long-term care facilities, as they are defined in section 349-21, Hawaii Revised Statutes, from the certificate of need process administered by the State Health Planning and Development Agency.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 710, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 710, H.D. 1.

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

**SCRep. 279 Consumer Protection & Commerce on H.B. No. 1062**

The purpose of this bill is to repeal the Public Utilities Commission's (PUC) responsibility for gas pipeline safety and inspections, as those functions have been performed by the U.S. Department of Transportation's Office of Pipeline Safety (OPS) since 1993.

PUC testified in support of this bill.

Part IV of Chapter 269, Hawaii Revised Statutes (HRS), requires PUC to establish safety standards consistent with federal regulations for gas pipeline systems, and authorizes PUC to conduct inspections to determine compliance. However, in March 1993, OPS preempted PUC's authority in this area due to a lack of state inspection staff. Because the State has not obtained re-certification from the U.S. Department of Transportation, the provisions of Part IV of Chapter 269, HRS, remain supplanted by federal authority over gas pipeline safety.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1062 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 280 Consumer Protection & Commerce on H.B. No. 371**



The purpose of this bill is to maintain the viability of naphtha as fuel for power-generating facilities, by making permanent the one-cent per gallon tax on naphtha sold for use in a power-generating facility to produce electricity.

Kauai Island Utility Cooperative and Hamakua Energy Partners, L.P. testified in support of this bill. The Department of Taxation, Department of Health, Department of Transportation, and Tax Foundation of Hawaii provided comments.

Naphtha is an environmentally cleaner, petroleum-based fuel for power generation due to its lower sulfur content and lower levels of emitted carbon dioxide upon burning. Certain power generating stations have air pollution control permits requiring the burning of naphtha to achieve lower stack emissions. By making permanent the one-cent per gallon tax on naphtha used to produce electrical power, this bill clarifies that such uses of naphtha are not subject to higher fuel license taxes under section 243-4, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 281                    Transportation on H.B. No. 869**

The purpose of this bill is to assist rental motor vehicle companies in dealing with traffic violations committed by renters by:

- (1) Extending the period of time within which the rental motor vehicle company must provide a lessee's name and address upon notice that a rental motor vehicle has been involved in a traffic violation from 45 to 60 days; and
- (2) Clarifying that the period of time within which the rental motor vehicle company must provide the lessee's name and address begins on the date of the mailing of the notice of violation.

Enterprise Rent-A-Car Company of Hawaii and Vanguard Car Rental USA, Inc., dba National Car Rental and Alamo Rent A Car, DTG Operations, Inc., dba Dollar Rent A Car and Thrifty Car Rental, and Catrala-Hawaii supported this bill with amendments. The Judiciary provided comments.

Currently, when a person driving a rental car in Hawaii is cited for a traffic violation, the rental car company has 45 days to respond to the notice of a traffic infraction. As long as the rental car company presents this information to the courts within 45 days, the courts will either lower the fine for the infraction or dismiss the infraction altogether. If the information is not provided within this timeframe, the rental car company is required to pay the full fine. However, as the registered owners of a rental car are often a parent company located on the continental United States, it may take additional time for a notice of infraction to be received and processed by the company thereby causing a delay in their response. Allowing additional time for the provision of this information and clarifying that the time period begins on the date of the mailing of the notice will create deadlines that rental car companies would be better able to meet.

Although your Committee understands the concerns raised by the Judiciary regarding increased demands on the judicial system, this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 282                    Transportation on H.B. No. 65**

The purpose of this bill is to enhance safety on the sidewalks of downtown Honolulu by:

- (1) Establishing the Downtown Honolulu Business District; and
- (2) Prohibiting the use of bicycles, skateboards, rollerskates, electric personal assistive mobility devices, and other similar devices on sidewalks within the Downtown Honolulu Business District except for law enforcement purposes.

The Downtown Neighborhood Board No. 13 testified in support of this bill. The Department of Transportation, Policy Advisory Board for Elder Affairs, and Segway, Inc., testified in opposition to this measure.

The Downtown Honolulu area is a unique place and one of the older neighborhoods on Oahu. Along with residential areas, Downtown Honolulu is also home to numerous businesses and shops. Residents and shoppers, combined with a daily workforce and visitors, all make for a congested situation on already narrow sidewalks. Allowing bicycles, skateboards, rollerskates, electric personal assistive mobility devices, and other similar devices on sidewalks with these dense walking conditions is a safety issue for pedestrians, as well as the riders of these devices. This bill addresses this issue.

However, your Committee notes that persons with disabilities often must use motorized devices, such as motorized wheelchairs, to commute around the Downtown Honolulu area. Accordingly, your Committee has amended this bill by providing an exception for electric personal assistive mobility devices used by disabled persons.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 65, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 283                    Transportation on H.B. No. 57**

The purpose of this bill is to bring fairness and accuracy to the traffic abstract process by requiring district courts to delete any violation which the driver is found not to have committed from a driver's traffic abstract.

The Judiciary testified in opposition to this bill.

Currently, a driver's traffic abstract contains a record of any moving violation a driver is alleged to have committed, even if the driver was not convicted of committing the violation or found by the courts to have not committed the violation. This record of moving violation may be detrimental to the driver, particularly when applying for employment or insurance that requires a traffic abstract. As such, this measure is fair and just.

However, your Committee notes the concerns raised by the Judiciary that they are required by law to be courts of record for all court proceedings and therefore need to keep records of these types of violations. Your Committee further notes that although the Judiciary testified in opposition to this measure, they did propose amendments to the bill that would appear to accomplish the goal of having traffic abstracts cleared on alleged violations not resulting in conviction.

Accordingly, your Committee has amended this measure by:

- (1) Making amendments to the correct section of the Hawaii Revised Statutes dealing with operating records rather than district court records;
- (2) Specifying that only convictions or civil judgements for moving violations shall be furnished on a certified traffic abstract; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 57, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 57, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 284            Transportation on H.B. No. 60**

The purpose of this bill is to control excessive vehicular noises, while maintaining safety, by:

- (1) Providing drivers an option to turn off audible reverse warning systems if the vehicle is guided while reversing by a person, other than the driver, who has a clear view of both the vehicle's rearward path and the driver; and
- (2) Requiring that any mechanism permitting the audible reverse warning system to be manually disengaged automatically turn itself off after a fixed period of time and automatically re-engage the audible reverse warning system.

The Department of Transportation supported the intent of this bill. The Hawaii Transportation Association submitted comments on this measure.

Noise pollution has become a big problem in Hawaii. Many of the sources of this noise can be attributed to motor vehicles, in particular warning devices that are used when a vehicle is reversing. While these warning devices are intended to provide safety when a vehicle is backing up, allowing reverse audible warning devices to be disengaged under certain conditions may reduce noise without compromising safety.

Your Committee recognizes that different reversing situations may demand different periods of time to reverse and requiring a set period of time for the system to re-engage may not be feasible. Your Committee also realizes that not all persons guiding a vehicle are qualified individuals and thus a driver may be held liable for guiding errors. Accordingly, your Committee has amended this bill by:

- (1) Stipulating that the reverse warning system be re-engaged when the vehicle's transmission is shifted out of reverse rather than after a fixed period of time;
- (2) Inserting language assigning liability to a guide for any damages, injuries, or fatalities that occur while guiding a vehicle; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 60, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 60, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 285            Transportation on H.B. No. 1754**

The purpose of this bill is to amend Hawaii's excessive speeding law by exempting the offense of excessive speeding from the requirement to provide proof of financial responsibility that accompanies a license suspension or revocation.

The Office of the Public Defender (OPD) supported this bill with proposed amendments. The Department of Transportation, GEICO, the Hawaii Insurers Council, and State Farm Insurance Companies testified in opposition to this measure.

Current law requires license recertification for drivers convicted of excessive speeding. A driver whose license has been revoked must show proof of financial responsibility, also known as the SR-22 requirement, before they may regain their license. The SR-22 provision requires drivers to post \$25,000 in cash or bonds. While it is possible to obtain insurance as proof of financial responsibility, this coverage is often costly. The provision was enacted to ensure that risky drivers are financially responsible when they drive and to serve as a deterrent to speeding, especially excessive speeding, which has been a major contributing factor in numerous traffic crashes.

However, your Committee notes that OPD has reported an increase in court cases because persons convicted of excessive speeding are not able to enter a deferred acceptance of guilty plea and avoid a criminal record. In addition, many want to avoid the SR-22 requirement. These drivers, who are oftentimes one-time and not repeat offenders, take their case to trial therefore causing court calendars to be congested.

Your Committee finds that the sentencing provisions for excessive speeding for first-time offenders may be too harsh. Accordingly, your Committee has amended this measure by:

- (1) Eliminating the provision for a 30-day license suspension or 15-day suspension with limited driving privileges for work-related purposes for first time offenders;
- (2) Decriminalizing the offense of excessive speeding for first time offenders;
- (3) Eliminating the community service and imprisonment penalty options for first time offenders; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1754, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 286            Transportation on H.B. No. 134**

The purpose of this bill is to ensure that persons with a driver's license possess the legal status needed to obtain and retain one by:

- (1) Requiring an applicant for a driver's license and instruction permit to submit proof that the applicant is legally in the United States; and
- (2) Providing that legal immigrant licenses expire no later than the date of the legal immigrant's authorized period of stay in the United States.

The Department of Customer Services of the City and County of Honolulu testified in support of this bill. The Department of Transportation supported the intent of this measure. The American Civil Liberties Union of Hawaii and several concerned individuals opposed this bill. The Hawaii Immigrant Justice Center submitted comments.

Your Committee understands that the intent of this bill is to ensure the lawful presence in the United States of applicants applying for a driver's license or operating permit and that Hawaii is one of only six states that do not have a legal presence law. While your Committee notes that concerns still remain regarding the effect this measure will have on Hawaii's legal immigrant population, these questions and concerns can be scrutinized further as the bill moves through the legislative process.

Your Committee has amended this bill by:

- (1) Authorizing the Director of Transportation (Director) to adopt rules for an exemption from the proof of legal presence requirement;
- (2) Authorizing the Director to establish a fee for all driver license applicants who require verification of presence in the United States through the federal system;
- (3) Establishing a mechanism for the payment of these fees and disbursement of revenues to the counties for administration purposes;
- (4) Changing its effective date to January 11, 2010, to allow the Department of Information Technology of the City and County of Honolulu to establish connectivity with the federal computer system, program county computers, and conduct testing of the system; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 134, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 287            Transportation on H.B. No. 142**

The purpose of this bill is to exempt aviation fuel from the general excise tax (GET) and use tax when it is purchased from within a foreign-trade zone by a common carrier for us in intra-state transportation.

The Chamber of Commerce of Hawaii and Island Air testified in support of this bill. Hawaiian Airlines supported the intent of this measure. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii commented on this measure.

A healthy interisland airline industry is vital to the State's economy. However, Hawaii's interisland airlines continue to face severe financial challenges, challenges that resulted in the recent demise of an interisland carrier that served the people of Hawaii for decades. The volatile fuel market over the past few years, including the wild fluctuation of jet fuel prices, has been of particular concern for the airline industry in general.

Your Committee finds that this measure attempts to create a level playing field and create a fairer market for all airlines since sales of fuel sold from a foreign-trade zone for use by airlines traveling out of the State of Hawaii are exempt from GET and use taxes, while fuel purchased from a foreign-trade zone that is used for interisland travel is not exempt from these taxes.

Although your Committee understands the concerns raised by DOTAX regarding potential lost revenue, this matter warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

**SCRep. 288            Transportation on H.B. No. 139**

The purpose of this bill is to improve the statewide transportation system and help alleviate traffic congestion through a fiscally prudent approach by allowing the State to enter into agreements with private entities to build, operate, own, or finance transportation facilities, including toll roads.

The Department of Transportation (DOT), Royal Star Hawaii Transit, and several concerned citizens testified in support of this bill. The Hawaii Government Employees Association testified in opposition to this measure. The Hawaii Transportation Association submitted comments on this bill.

As a large majority of the State's highway system was built over 30 years ago, motorists and government officials are concerned with this aging infrastructure. Of particular concern is the ability to finance the repair and maintenance of the current infrastructure and the building of new roadways when necessary to relieve traffic congestion.

Hawaii, especially the island of Oahu, is facing a growing traffic congestion problem which can only get worse with increases in population, registered motor vehicles, and use of the highway system. This continued stress on Hawaii's transportation system has far outpaced the ability of government agencies to maintain highways at peak performance levels.

Compounding the problem is a decline in government funding to fix the highways. Due to recent wild fluctuations in gasoline prices, people are driving less or buying automobiles with greater fuel efficiency. This results in a decline in highway fund revenues from gasoline taxes, further reducing the available funding for the repair, maintenance, and building of Hawaii's roadways.

Allowing the State to enter into agreements with private entities to build, operate, own, and finance transportation facilities is one method to rapidly develop safe, convenient, economical, and efficient means of transportation. However, your Committee finds that roads already built by the State should not be allowed to be tolled. Accordingly, your Committee has amended this measure by restricting the ability of DOT to enter into agreements with private entities to build, operate, own, or finance transportation facilities, including toll highways, to newly constructed facilities.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 139, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 289            Transportation on H.B. No. 378**

The purpose of this bill is to allow the Department of Transportation (DOT) to obtain security services at Hawaii's airports in a fair and equitable manner without compromising safety by allowing DOT to award its security contracts by negotiations rather than by a bidding process.

Securitas Security Services USA, Inc. testified in support of this bill. DOT did not support this bill.

The security and regulatory requirements at Hawaii's airports have changed dramatically since the terrorist attacks of September 11, 2001. Many of these requirements have become classified and determined to be sensitive. Furthermore, security requirements at Hawaii's airports are in constant flux as the Transportation Security Administration, United States Department of Homeland Security, and other federal security agencies issue new directives, regulations, and requirements for staffing, security, and other operational matters.

According to DOT, these multiple changes in security requirements do not pose much of a problem for other airports nationwide because a majority of airports handle security with their own security forces. However, Hawaii is unique in that DOT contracts out most of its airport security needs. This poses a problem for security companies bidding on the airport security contracts because, although they may be the lowest bidder, additional cost factors that the bidder must bear in performing the security service are not revealed to the bidder until after a contract has been awarded. Although this is understandable from a security standpoint, the bidder may not be able to meet the security needs of the airport without suffering financial loss or cutting back on services. Allowing DOT to negotiate security contracts rather than award these contracts with a bidding process may solve this problem.

However, your Committee understands DOT's concerns regarding reducing competition by using a non-bid process. Nevertheless, this measure deserves further consideration and your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 378, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

**SCRep. 290            Transportation on H.B. No. 1388**

The purpose of this bill is to provide measured economic relief to airport concessionaires by:

- (1) Providing for annual adjustments in the guaranteed rents of all airport concessionaires that are to be paid to the State, other than to some concessions;
- (2) Clarifying the economic emergency relief provisions for airport concessions that are designed to aid concessions during dire economic times;

- (3) Further clarifying that in granting economic emergency relief, the Director of Transportation shall take into account the concession's economic circumstances and whether the concession received relief by way of annual adjustment in guaranteed rents or other governmental relief for purposes of avoiding duplicate economic relief benefits to a concessionaire; and
- (4) Stipulating that, in seeking relief pursuant to this Act, qualified concessionaires may only seek relief for losses of gross receipts or loss of business which occurred during periods of time starting November 1, 2006, or later.

The Airport Concessionaires Committee, International Currency Exchange, HMSHost Corporation, and Smart Carte Inc. testified in support of this bill. The Department of Transportation (DOT) testified in opposition to this measure.

Hawaii is currently facing some of the worst economic conditions seen in the history of the state, and these conditions are only expected to worsen over the near term. Although businesses throughout the islands are experiencing financial difficulties, these hardships are compounded for concessions at Hawaii's airports because of security measures put into place after the attacks of September 11, 2001. These security changes restrict access to many of the airport concessions to ticketed passengers only and therefore severely restrict a concession's market share. While the Legislature provided economic relief to many concessionaires after the events of September 11<sup>th</sup>, some concessions continue to suffer and are therefore seeking relief through this Act.

Your Committee finds that DOT has provided economic relief to some concessionaires that met the statutory requirements for economic relief previously established by the Legislature. However, some businesses do not have similar relief provisions included in their lease agreements. If these businesses continue to suffer financial hardships, it may force them to default on their concession contracts and thus forfeit their performance bond. This would be especially hard for these businesses as forfeiture of their performance bond will result in the concessionaire being barred from doing business with the state for five years. This would not only affect the concessionaire but would have a negative impact on the airport and tourism industry as well.

However, your Committee understands the concerns raised by DOT, including the concern that a previously bid-and-awarded concession lease may need to be put out to bid again because of the substantial modifications that may be required under this Act. Nevertheless, the importance of this matter warrants further discussion.

Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1388, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

**SCRep. 291 Higher Education/Legislative Management on H.B. No. 982**

The purpose of this bill is to gather information about and to assist employees who provide family caregiving services by, among other things:

- (1) Widening the scope of applicability of Hawaii's family leave law from employers employing 100 or more employees to employers employing 50 or more employees; and
- (2) Creating and appropriating funds for a family leave data collection system that is capable of analyzing and reporting family caregiving data for both public and private employees.

The ILWU Local 142, Policy Advisory Board for Elder Affairs, and two concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Maui Chamber of Commerce, Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, and a concerned individual opposed this measure. AARP Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Excluding private employers and private employees from the scope of the family leave data collection system, and removing all references in the bill to private employers and private employees;
- (2) Deleting the provisions that extend the family leave law to firms with fifty or more, but fewer than 100, employees;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 982, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 982, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Saiki, Shimabukuro, Ching and Finnegan.

**SCRep. 292 Consumer Protection & Commerce on H.B. No. 690**

The purpose of this bill is to expand access to health insurance by requiring insurers to offer certain part-time employees the same group health care coverage offered to their co-workers who are regular employees, without the employer having to pay any portion of the premium.

This bill also requires the Insurance Commissioner to report to the Legislature on the costs and benefits of this measure.

The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association testified in support of this bill. Kaiser Permanente Hawaii supported the intent of this measure.

This bill seeks to reduce the number of uninsured workers in Hawaii while minimizing the impact on employers. However, there are concerns that allowing part-time employees the option of purchasing coverage will produce adverse selection in which the covered group of voluntary participants will mostly include those who use more health care. This is because many voluntary participants may choose not to purchase health coverage unless they actually need health care services. The premiums for this pool of voluntary participants are therefore likely to be higher than for mandatory pools with a more balanced mix of both healthy participants who use fewer health services and the less healthy who use more services.

There are also questions regarding the appropriate minimum lengths of employment for part-time employees covered by this measure.

Accordingly, your Committee has amended this bill by:

- (1) Changing to an unspecified amount, the number of requisite working hours per week for part-time employees to be eligible for the health insurance coverage under this measure;
- (2) Requiring eligible part-time employees to have worked continuously for the employer for an unspecified minimum length of time; and
- (3) Requiring that an unspecified percentage of the part-time employees must agree to purchase the health care coverage before the coverage must be offered.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 690, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 690, H.D. 2.

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

**SCRep. 293 Consumer Protection & Commerce on H.B. No. 1060**

The purpose of this bill is to improve government efficiency by providing that Public Utilities Commission (PUC) hearing notices regarding proposed changes in public utility rates need only be published in the counties served by the utility rather than statewide.

PUC and the Consumer Advocate testified in support of this bill.

Under section 269-16(b), Hawaii Revised Statutes (HRS), contested case hearings held in connection with any increase in utility rates must be preceded by a public hearing. Section 269-12(c), HRS, requires PUC to provide statewide notices of these hearings, even if the subject public utility and affected customers are located in one county. By restricting the notice requirement to only the counties affected by the public utility's proposal, this measure will lower PUC's publication costs by as much as 50 percent per fiscal year while still ensuring that notice is provided to those affected by the proposed activity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1060 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 294 Consumer Protection & Commerce on H.B. No. 1068**

The purpose of this bill is to make housekeeping amendments to clarify business registration laws and to correct technical errors, ambiguities, and inconsistencies. This measure amends statutes relating to:

- (1) Business dissolutions and cancellations;
- (2) Electronic transmission of notice to members of nonprofit corporations;
- (3) Procedures for converting an entity into a domestic entity; and
- (4) Reinstatement of general partnerships.

The Department of Commerce and Consumer Affairs and University of Hawaii Professional Assembly testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1068 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 295 Consumer Protection & Commerce on H.B. No. 355**

The purpose of this bill is to promote fairness in the handling of delinquent condominium common expense assessments by:

- (1) Limiting any late fee for these assessments to 20 percent of the monthly maintenance fee in effect at the time of the delinquency; and
- (2) Requiring condominium associations to give unit owners written notice of any delinquent assessments at least ten business days before taking any action for which attorneys' fees may be assessed.

Several concerned individuals testified in support of this bill. The Mililani Town Association opposed this measure. The Hawaii Council of Associations of Apartment Owners and Hawaii Legislative Action Committee of the Community Associations Institute provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the late fees specified under this measure may be charged for each month the assessment remains unpaid; and
- (2) Changing the effective date to January 1, 2020, to encourage further discussion.

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

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

**SCRep. 296 Consumer Protection & Commerce on H.B. No. 1359**

The purpose of this bill is to prohibit the Office of Consumer Protection (Office) from publicly disclosing consumer complaints that have been investigated and resolved by the Office in favor of the person against whom the complaint was filed.

D & E Kawelo Construction, Inc., testified in support of this bill. The Department of Commerce and Consumer Affairs and a concerned individual opposed this measure. The Office of Information Practices provided comments.

While this bill appears to address situations where a business's reputation may be harmed by the filing of meritless consumer complaints, there are concerns that denying public access to a complete record of complaints, regardless of disposition, could significantly hamper the ability of consumers to make informed decisions.

Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1359, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 297 Housing on H.B. No. 1694**

The purpose of this bill is to:

- (1) Establish a minimum rent of \$250 for state public housing units and \$50 for federal public housing units; and
- (2) Prohibit the Hawaii Public Housing Authority (HPHA) from establishing preferences for tenant selection.

Several concerned individuals testified in support of this bill. The HPHA supported the intent of this measure. Community Alliance Partners, the Legal Aid Society of Hawaii, and the American Civil Liberties Union of Hawaii opposed this bill. The Hawaii Catholic Conference, the Hawaii Family Forum, Catholic Charities Hawaii, and several concerned individuals provided comments on this measure.

Your Committee has amended this bill by:

- (1) Requiring HPHA to establish a schedule of rents for public housing projects by number of bedrooms and type of project;
- (2) Deleting the minimum rent for federal public housing units;
- (3) Requiring HPHA to adjust minimum rents annually by the consumer price index; and
- (4) Making technical, nonsubstantive changes for consistency, style, and clarity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1694, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 298 Energy & Environmental Protection on H.B. No. 197**

The purpose of this bill is to help reduce Hawaii's dependence on fossil fuels by providing boards of directors of condominium owners' associations (Boards) the authority to install or permit installation of solar energy or wind energy devices on common elements of the project.

The Sierra Club, Hawaii Chapter, Blue Planet Foundation, Hawaii Solar Energy Association, and Community Associations Institute testified in support of this bill.

Present condominium law requires 67 percent or even 75 percent approval of the unit owners to use the common elements for solar energy or wind energy projects. This bill would allow Boards to install such devices, and circumvent the requisite high levels of approval, which, combined with owner apathy, can defeat the best efforts of Boards to install solar energy or wind energy devices in the project. If there is concern that this bill would give Boards too broad an authority, an alternative would be to reduce the approval requirement to allow such installations, to a simple majority, or 50.1 percent. If these types of energy-saving devices can help reduce operational costs to benefit an association as a whole, a simple majority should be adequate to address the common interests of all owners.

Your Committee also respectfully requests that the Committee on Consumer Protection & Commerce consider replacing the reference to "equipment sold" with "equipment to be installed" in the definition of wind energy devices.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 197 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 299 Energy & Environmental Protection on H.B. No. 1270**

The purpose of this bill is to encourage the use of nonfossil fuel generated electricity, helping the state reduce the amount of fossil fuel imported and consumed in Hawaii, by enabling the Public Utilities Commission (PUC) to establish rates that will support implementation of appropriate renewable energy resources while maintaining a standard of just and reasonable rates.

The Hawaii Energy Policy Forum, Sierra Club, Hawaii Chapter, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Renewable Energy Alliance, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Blue Planet Foundation, Hawaii Solar Energy Association, SunPower Systems Corporation, and Dowling Company, Inc., testified in support of this bill. The Department of Business, Economic Development, and Tourism and PUC offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that "cost-effective" also means the ability to produce or purchase electric energy or firm capacity from renewable energy resources at costs the PUC determines to be just and reasonable; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 300 Energy & Environmental Protection on H.B. No. 1467**

The purpose of this bill is to spur an increase in fuel efficiency of Hawaii's motor vehicles by requiring retail service stations to provide free tire pressure gauges and operational tire inflation devices to enable motorists to maintain properly inflated tires.

The Sierra Club, Hawaii Chapter, Blue Planet Foundation, and Hawaii Energy Policy Forum testified in support of this bill. The Department of Business, Economic Development, and Tourism, and Legislative Information Services of Hawaii offered comments.

Properly inflated tires give vehicles better mileage per gallon of gasoline consumed. Your Committee believes that market forces will prompt retail service stations to provide, free-of-charge, tire pressure gauges to their customers. Accordingly, your Committee has amended this bill by deleting from the purpose section of the bill, the reference to free tire pressure gauges and operational tire inflation devices to be provided by retail service stations.

Your Committee has also amended this bill by:

- (1) Correcting an erroneous reference to section 486-1, Hawaii Revised Statutes, with section 486H-1; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1467, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Chong and Herkes.  
(Representatives Chang and Ito voted no.)

**SCRep. 301 Energy & Environmental Protection on H.B. No. 1417**

The purpose of this bill is to close a loophole in the outdoor advertising ban that permits the placement of advertising on vehicles or trailers for others, as long as the vehicles or trailers are not used primarily for advertising.

Na Leo Pohai submitted testimony supporting this bill. The Attorney General (AG) commented on this measure.

Your Committee has amended this bill by amending the purpose section to more accurately reflect the intent of this measure.

Your Committee appreciates the concerns raised by the AG concerning potential inconsistencies with the First Amendment and Equal Protection Clause of the United States Constitution. However your Committee considers the Committee on Judiciary to be the more appropriate committee to address these issues and therefore, respectfully requests that the Committee on Judiciary consider these issues when this bill comes before it.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1417, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 302 Energy & Environmental Protection on H.B. No. 64**



The purpose of this bill is to limit the noise generated by leaf blowers to reasonable hours.

Specifically, this bill expands the criminal offense of disorderly conduct to include the use of leaf blowers during the hours of 8:00 p.m. and 8:00 a.m. on any day of the week.

Your Committee received testimony in support of this bill from one individual.

Your Committee finds that the prohibition against the use of leaf blowers should be broadened to include other yard equipment that also generate unreasonable noise such as chainsaws, lawn mowers, and weed whackers.

Accordingly, your Committee has amended this bill by:

- (1) More extensively defining the term "leaf blower" as a gasoline or electric powered tool that propels air out of a nozzle commonly used to move leaves or debris, and includes leaf blower vacuum units that act like a vacuum cleaner by sucking in leaves or debris through the nozzle, to be deposited into an attached disposal bag; and
- (2) Adding and defining the following yard tools that also generate unreasonable noise:
  - (a) Lawn mower, which is a gasoline or electric powered yard tool that has one or more revolving blades intended to cut a lawn or grass at an even length;
  - (b) Weed whacker, which is a gasoline or electric powered yard tool that uses either a:
    - (A) Flexible monofilament line (also known as a string or line trimmer); or
    - (B) Revolving metal cutting blade,
 intended to cut or trim grass and other vegetation; and
  - (c) Chainsaw, which is a gasoline or electric powered saw having a fast revolving chain of metal teeth commonly used to cut trees and branches.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 64, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 64, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 303 Energy & Environmental Protection on H.B. No. 1124**

The purpose of this bill is to ensure compliance with the federal Underground Storage Tank Compliance Act that is part of the Energy Policy Act of 2005.

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

Your Committee notes that the federal Underground Storage Tank Compliance Act prohibits delivery of petroleum to underground storage tanks that are identified as ineligible to receive deliveries. However, state law does not presently contain any delivery prohibition.

Your Committee finds that compliance with the Underground Storage Tank Compliance Act ensures that the Department of Health will be eligible to receive federal funds for its underground storage tank and leaking underground storage tank programs. Further, your Committee finds that this bill will reduce petroleum releases into the environment and thus help to protect human health and the environment from resulting contaminants.

Your Committee amended this bill to clarify the reference to the federal law.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 304 Energy & Environmental Protection on H.B. No. 574**

The purpose of this measure is to improve recycling rates in the State.

Specifically, this measure:

- (1) Extends the reverse vending machine rebate program and provides additional financial incentives for participation in the program; and
- (2) Appropriates \$1,750,000 to the counties to plan and operate county recycling programs.

The Sierra Club, Hawaii Chapter and Reynolds Recycling submitted testimony in support of this measure. The Department of Health submitted testimony in opposition to this measure. Three individuals from the University of Hawaii Environmental Center submitted comments on this measure.

Your Committee finds that efforts to extend the reverse vending machine program and expand its scope would increase recycling in the State by making it more convenient for individuals to recycle their deposit beverage containers. In addition, providing the counties with the means to develop recycling programs would further increase recycling rates throughout the State.

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

- (1) Changing the repeal date of Act 228, Session Laws of Hawaii 2005, which established the reverse vending machine rebate program from June 30, 2009 to June 30, 2014; and
- (2) Changing the eligible installation date of reverse vending machines in section 342G-102.5(b)(1) to June 30, 2012. This will allow reverse vending machines to be eligible for the program if installed by June 30, 2012, and will further allow the State to rebate a portion of the operating cost for machines for up to two years from that date, as applicable.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 574, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 305 Energy & Environmental Protection on H.B. No. 763**

The purpose of this bill is to conserve potable water while reducing the impact of gray water on wastewater treatment facilities.

This bill:

- (1) Requires the Department of Health (DOH) to establish a gray water recycling program for residences not served by county wastewater systems; and
- (2) Authorizes the counties to establish similar gray water recycling programs for residences served by county wastewater systems.

A member of the Maui County Council testified in support of this bill. The Sierra Club, Hawaii Chapter, supported this bill with amendments. The Department of Accounting and General Services, DOH, and Structural Engineers Association of Hawaii opposed this measure.

Your Committee finds that this bill seeks to address a stalemate in efforts to recycle gray water. Currently, a process exists for any county to establish its own gray water recycling program. However, no county has taken the burdensome step of submitting a detailed plan to DOH for approval. This cautious approach taken by the counties may also be reflected in their decision to delete provisions governing the construction and use of gray water recycling systems when adopting the Uniform Plumbing Code.

As an alternative, the 2008 Legislature considered a proposal that would have required DOH to take the lead in establishing a gray water recycling program. However, DOH maintained that it lacked the resources to oversee the implementation of a gray water recycling program for residences served by county sewer systems. Given the counties' authority in granting building permits, DOH also maintained that the counties, and not the State, have jurisdiction over gray water systems in those areas served by county sewer systems.

This session, your Committee held a bill that would have required DOH to adopt rules setting standards for county gray water recycling programs. Once again, DOH testified that it lacked the resources to oversee the implementation of gray water recycling programs for residences served by county sewer systems.

Under these circumstances, your Committee believes that the best approach is to direct DOH to proceed with establishing gray water systems for residences not served by county sewer systems, thereby creating public awareness and demand for these systems without expending extensive resources. At the same time, the counties continue to have the option of establishing similar gray water recycling programs for residences served by county sewer systems.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 763 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 306 Energy & Environmental Protection on H.B. No. 1336**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Diamond Head Renewable Resources, LLC (Diamond Head).

Specifically, the measure authorizes the issuance of special purpose revenue bonds in an amount not to exceed \$144,000,000 for the planning, design, and construction of an ethanol/alcohol fuel refinery and electrical generation plant on Oahu.

Your Committee finds that Diamond Head intends to make locally produced ethanol and generate electricity with renewable sources for biofuels that are economically feasible and provide benefits that include:

- (1) Increasing Hawaii's fuel security by reducing dependence on imported fossil fuels;
- (2) Helping to meet Hawaii's renewable energy goals by using existing generation assets with on-island produced renewable ethanol and alcohol fuels;
- (3) Reducing greenhouse gas emissions by using ethanol in auto fuels and reducing the amount of methane released into the atmosphere;
- (4) Providing significant reductions of hydrocarbon, sulfur, toxic compounds, and particulate matter emissions compared to burning petroleum fuel; and
- (5) Eliminating the need to purchase and import more than twelve million gallons of fuels per year.

Testimony in support of this measure was submitted by Diamond Head Renewable Resources, LLC and four private citizens. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1336 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 307 Energy & Environmental Protection on H.B. No. 1483**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Better Place Hawaii, Inc. in the planning, designing, construction, and development of transportation infrastructure, equipment, and apparatus to support electric vehicles in Hawaii.

Testimony in support of this measure was submitted by Better Place Hawaii, Inc., Life of the Land, and Enterprise Honolulu. The Department of Budget and Finance offered comments.

Your Committee finds that:

- (1) The activities and facilities of Better Place Hawaii, Inc., are a "project" under the special purpose revenue bonds law;
- (2) The financing of those activities and facilities constitute assistance to an industrial enterprise; and
- (3) This measure will foster the development of alternatives to fossil fuel-based modes of transportation to maintain a healthy environment in this State and reduce global warming.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 308 Energy & Environmental Protection on H.B. No. 1628**

The purpose of this measure is to authorize the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC.

Your Committee received favorable testimony on this measure from BioEnergy Hawaii, LLC, Pacific Waste, Inc., and the Natural Energy Laboratory of Hawaii Authority. Your Committee also received comments on this measure from the Department of Budget and Finance.

Your Committee finds that BioEnergy Hawaii plans to develop a renewable, waste-to-energy cogeneration facility that would produce six to eight megawatts of electricity from waste that would otherwise end up in area landfills. The benefits from the BioEnergy facility are numerous. The facility would:

- (1) Minimize the release of greenhouse gases by recycling the facility's carbon dioxide emissions;
- (2) Reduce the demand for landfill;
- (3) Reduce transportation costs related to waste and disposal;
- (4) Create needed employment;
- (5) Reduce the State's dependence on imported fossil fuels; and
- (6) Supply enough electrical energy for six to eight thousand homes.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 309 Energy & Environmental Protection on H.B. No. 1678**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist LifeGrid Solutions, LLC, with the planning, design, and construction of a biofuel refinery and research facility on Oahu.

Testimony in support of this measure was received from LifeGrid Solutions, LLC (LifeGrid). Comments on the measure were received from the Department of Budget and Finance.

Your Committee finds that LifeGrid Solutions, LLC, is an industrial enterprise, and the biofuel refinery and research facility constitute a project of an industrial enterprise for which special purpose revenue bonds may be issued. LifeGrid will increase the State's energy independence and improve our environment.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1678 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 310 Consumer Protection & Commerce on H.B. No. 814**

The purpose of this bill is to ensure the proficiency of health care providers by specifying:

- (1) The renewal period for recertification of nurse aides; and

- (2) The number of continuing education hours required for recertification.

The Hawaii Coalition of Caregivers, United Filipino Council of Hawaii, Nursing Advocates & Mentors, Inc., Filipino Coalition for Solidarity, Oahu Filipino Community Council, National Federation of Filipino American Associations Region XII, Filipino American Citizens League, and the Big Island chapters of the Adult Residential Care Home Operators and Adult Foster Home Association testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 814, H.D. 2.

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

**SCRep. 311 Consumer Protection & Commerce on H.B. No. 1464**

The purpose of this bill is to promote alternative energy systems by:

- (1) Clarifying the application of the law requiring solar water heater systems for new single-family residential construction and the procedures for obtaining variances;
- (2) Requiring the Energy Resources Coordinator to publicize all variance applications and their dispositions within a certain time frame;
- (3) Amending the provisions for claiming tax credits for renewable energy technologies used in single-family residences;
- (4) Authorizing the Public Utilities Commission (PUC) to contract with the Public Benefits Fee Administrator to develop solar water heater system standards; and
- (5) Allowing counties to enact more stringent requirements for solar water heater installations in new residential construction.

The Gas Company and a concerned individual testified in support of this bill. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of this measure. The Department of Business, Economic Development, and Tourism, Department of Taxation, PUC, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by eliminating the provision allowing counties to enact more stringent requirements for solar water heater installations in new residential construction. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1464, H.D. 2.

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

**SCRep. 312 Consumer Protection & Commerce on H.B. No. 956**

The purpose of this bill is to improve the Real Estate Commission's (Commission) administration of condominium education programs by merging the Condominium Management Education Fund established under section 514A-131, Hawaii Revised Statutes (HRS), with the Condominium Education Trust Fund established under section 514B-71, HRS.

The Commission and Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this bill. The Hawaii Independent Condominium and Cooperative Owners opposed this measure. The Hawaii Council of Associations of Apartment Owners provided comments.

Act 164, Session Laws of Hawaii (SLH) 2004, and Act 93, SLH 2005, updated Hawaii's condominium laws and produced two separate statutory chapters governing condominiums (Chapters 514A and 514B, HRS). This legislation also resulted in the Commission's administration of two funds, one in Chapter 514A, HRS, and one in Chapter 514B, HRS, with the identical purposes of financing or promoting:

- (1) Education and research in the fields of condominium management, condominium project registration, and real estate;
- (2) Improvements in the administration of associations; and
- (3) Expedient and inexpensive procedures for resolving association disputes.

Management of both funds is administratively burdensome, requiring the Commission to separately budget, plan, and account for the receipts and expenses of each fund. This bill attempts to eliminate any confusion and unnecessary burdens stemming from the existence of both funds.

It is the intent of your Committee that the moneys transferred to the Condominium Education Trust Fund under this measure be applied to the original purposes for which they were collected.

Your Committee has amended this bill by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 956, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 313 Legislative Management on H.B. No. 1603**

The purpose of this bill is to provide our State's leaders with the key information necessary for Hawaii to be a player in the global economy.

This bill directs the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Prepare a diagnostic assessment of the conditions, challenges, and opportunities facing the State; and
- (2) Develop an overall strategy to address the challenges.

Funds are appropriated to contract out-of-state economic consultants to undertake the diagnostic assessment.

Several individuals testified in support of this bill. DBEDT supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1603, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1603, H.D. 2.

Signed by all members of the Committee.

**SCRep. 314 Legislative Management on H.B. No. 853**

The purpose of this bill is to require legislators to submit financial disclosure statements in a more timely manner.

This bill requires legislators to file their annual statements between January 1<sup>st</sup> and January 31<sup>st</sup> instead of between January 1<sup>st</sup> and May 31<sup>st</sup>. Under this bill, if a legislator is unable to provide information on the amount and source of income greater than \$1,000, the legislator must submit a good faith estimate by January 31<sup>st</sup> and subsequently file an amended disclosure form identifying the income amount by May 31<sup>st</sup>.

The League of Women Voters of Hawaii and Common Cause Hawaii testified in support of this bill. The State Ethics Commission supported this bill with amendments.

Your Committee has amended this bill by deleting the requirement that legislators file an amended disclosure form by May 31<sup>st</sup>.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 315 Human Services on H.B. No. 876**

The purpose of this bill is to:

- (1) Raise from \$1,800 to \$3,600 the maximum amount of the special assessment for delinquent monthly common assessments that can be charged against a person who purchases a condominium unit; and
- (2) Expand association procedures and limitations on liability concerning elderly unit owners aging in place, to include handicapped and disabled persons.

The Hawaii Independent Condominium and Cooperative Owners and Hawaii Council of Associations of Apartment Owners testified in support of this bill. The Hawaii Legislative Action Committee of the Community Associations Institute opposed this measure. The Hawaii Bankers Association and Hawaii Financial Services Association offered comments.

Your Committee has amended this bill by:

- (1) Blanking out the maximum amount of the special assessment for delinquent monthly common assessments that can be charged against a person who purchases a condominium unit;
- (2) Replacing all references in the bill to "unit owner" with "unit owner or resident";
- (3) Deleting all instances of the word "handicapped" in the bill and adding a definition of "disabled";
- (4) In regards to the limitations on the liability of unit owners' associations with respect to board actions and recommendations for elderly or disabled unit owners:
  - (A) Specifying that the limitations on liability relate to board actions and recommendations that are made so that elderly or disabled unit owners will not pose any health or safety hazards to themselves or others;
  - (B) Clarifying that the abuse of others includes physical or mental abuse; and
  - (C) Removing loneliness and neglect, and inappropriate requests of others for assistance, as problems of aging and aging in place that would pose harm or health or safety hazards for the elderly or disabled unit owner or others;
- (5) Clarifying that the board may request appropriate assistance from a government agency responsible for adult protective services, and also allowing the board to request appropriate assistance from mental health or medical practitioners;
- (6) Changing its effective date to January 1, 2050; and

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 876, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 316 Human Services on H.B. No. 812**

The purpose of this bill is to ensure that domestic violence victims have safe and secure homes following an incident of domestic violence, sexual assault, or harassment by stalking.

This bill allows victims of domestic violence to terminate their rental agreement without penalty after notifying the landlord in writing and attaching thereto a temporary restraining order or a written report prepared by a law enforcement officer. Under this bill, the victims would be responsible for the payment of rent for a 30- day period following the notification.

The Hawaii State Coalition Against Domestic Violence, Domestic Violence Action Center, Legal Aid Society of Hawaii, and an individual testified in support of this bill. The Hawaii Association of Realtors offered comments.

Your Committee has amended this bill by:

- (1) Deleting the requirement that the victim is obligated to pay rent for 30 days following notification;
- (2) Deleting provisions relating to the prorating of rent when a victim's premise is rented to another party during the 30-day period; and
- (3) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 812, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 317 Human Services on H.B. No. 229**

The purpose of this bill is to provide greater protection to victims of domestic violence whom the courts and police are attempting to keep safe through family court domestic abuse protective orders, and through police orders requiring a person to leave the victim's premises.

Your Committee received testimony in support of this measure from the Attorney General, the Honolulu Police Department, the Department of the Prosecuting Attorney for Honolulu, the Department of the Prosecuting Attorney for the County of Maui, the Domestic Violence Action Center, the Hawaii State Coalition Against Domestic Violence, and a concerned individual. The Office of the Public Defender opposed the bill.

Your Committee has amended this bill by:

- (1) Replacing its contents with the language of H.B. No. 1020 to preserve the 2007 and 2008 amendments to sections 707-711 and 707-716, Hawaii Revised Statutes, that were inadvertently omitted from this bill;
- (2) Changing the effective date to January 1, 2050 to encourage further discussion; and
- (3) Making technical, non-substantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 229, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 318 Human Services on H.B. No. 296**

The purpose of this bill is to increase the maximum term of a temporary guardianship of a minor from six to twelve months.

The Judiciary testified in support of this measure.

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

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

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

**SCRep. 319 Human Services on H.B. No. 441**

The purpose of this bill is to provide protection for families using child care services by criminalizing misrepresentation by a child care provider as a misdemeanor.

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

Several concerns were raised regarding ambiguous language used within this measure. Those concerned pointed out that not only is it unclear what the term "misrepresentation" includes, but it is also unclear who, specifically, will be held accountable should an offense occur. Additionally, objections were raised about the possibility of imprisonment for a non-violent offense.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 441, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 320 Human Services on H.B. No. 571**

The purpose of this bill is to permit the special court trustee, upon investigation, to recommend that \$100 per occurrence be assessed against a parent who interferes with visitation by failing to:

- (1) Keep a scheduled visit without timely notifying the other parent of cancellation; or
- (2) Reschedule a canceled visit within a reasonable time.

The Hawaii State Coalition Against Domestic Violence supported the intent of this bill.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 571, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 321 Human Services on H.B. No. 831**

The purpose of this bill is to allow a court to order a substituted means of service of protective and temporary restraining orders if the court finds that the respondent has been deliberately avoiding personal service.

Several concerned individuals testified in support of this bill. The Office of the Public Defender testified in opposition to this measure. The Domestic Violence Action Center provided comments.

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

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 322 Human Services on H.B. No. 734**

The purpose of this bill is to support asset-building among low- and moderate-income families in Hawaii through the use of individual development accounts.

Specifically, this bill designates the Department of Human Services as the agency responsible for administering the individual development account program. This bill also:

- (1) Adds the purchase of one motor vehicle for work or school transportation to the list of qualified expenditures;
- (2) Requires the Department of Human Services to determine the minimum household income for an individual development account holder, rather than setting the threshold at eighty per cent of the area household median income;
- (3) Allows the Department of Human Services to contract with fiduciary organizations;
- (4) Identifies and makes use of federal funds wherever appropriate;
- (5) Deletes the cap on the State's match of funds for an individual development account and instead requires a specific match ratio for qualified expenditures to be determined by the Department of Human Services;

- (6) Repeals:
  - (A) The requirement that the State make a grant to a qualified entity for each individual development account program; and
  - (B) The ten per cent cap on use of state appropriated funds to cover annual administrative costs of selected fiduciary organizations;
- (7) Requires fiduciary organizations to report annually to the Department of Human Services rather than to the Legislature; and
- (8) Appropriates unspecified amounts in fiscal years 2009-2010 and 2010-2011 for fiduciary organizations for the operation of the individual development account program.

Your Committee received testimony in support of this bill from the Hawaii Alliance for Community-Based Economic Development. The Department of Human Services expressed various concerns regarding the bill.

Your Committee finds that the appropriations and modifications to the individual development accounts program will help low- and moderate-income households in Hawaii to save and build assets in order to meet their financial goals.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 323 Human Services on H.B. No. 744**

The purpose of this measure is to establish a statewide silver alert program to be activated on behalf of a missing senior citizen.

Under present law, there is no program to alert the public of missing senior citizens. This bill establishes the silver alert program to issue alerts of missing senior citizens under certain conditions. The measure requires the silver alert program to be integrated with the Maile Amber Alert program and partnership to the greatest possible extent.

Your Committee received testimony in support of this measure from the Policy Advisory Board for Elder Affairs.

Your Committee finds that the establishment of the silver alert program will provide a greater degree of safety for persons who are elderly and suffer from dementia or other debilitating mental condition.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 744, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 324 Human Services on H.B. No. 661**

The purpose of this bill is to direct the Department of Human Services (DHS) to undertake a study to determine the costs and benefits of requiring random drug testing as a requirement for participating in public assistance programs.

The Drug Policy Forum of Hawaii, Drug Policy Action Group, American Civil Liberties Union of Hawaii, and several concerned individuals testified in opposition to this bill. DHS provided comments.

Several very strong concerns were raised regarding this measure, both by those testifying and by Committee members, including issues of constitutionality and fiscal irresponsibility.

Although this measure proposes a study, that study would be irrelevant and fiscally irresponsible given that there has been shown to be no rational basis to support random drug testing. In addition, random drug tests generally only indicate cannabis use and there is little established reason to deny benefits on this basis.

Both DHS and the Drug Policy Forum indicated that similar laws in other states have been found unconstitutional, and that testimony on similar legislation in Hawaii has reiterated this concern. It was also indicated that random drug testing of public benefits recipients is unnecessary given that:

- (1) For some public assistance programs, disability is a condition for qualification and substance abuse addiction is typically classified as a disability;
- (2) No additional standards of eligibility may be imposed as a condition for participation in programs that are exclusively federally funded; and
- (3) Temporary Assistance for Needy Families recipients identified as substance abusers are already required to undergo drug testing and comply with treatment as a condition of eligibility.

Despite these concerns, your Committee feels that serious discussion on this issue is important. Your Chair respectfully indicates, however, that this discussion may be better addressed in a resolution.

With consideration and respect to every point of view represented, your Committee has amended this bill by:

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



As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Shimabukuro.  
(Representative Bertram voted no.)

**SCRep. 325 Human Services on H.B. No. 884**

The purpose of this bill is to encourage Hawaii's residents to develop the habit of saving by creating a child development account requiring an initial state contribution from general funds upon specified provisions, and upon the enactment of an amendment to the Hawaii Constitution to amend the disposition of excess revenues.

The Representative from the 38<sup>th</sup> District testified in support of this bill. The Hawaii Alliance for Community-Based Economic Development supported the intent of this measure. The Department of Budget and Finance testified in opposition to this bill. The Department of Taxation (DOTAX) provided comments.

Your Committee notes that DOTAX opposed the tax provision in this bill, which does not factor the cost of the measure into the budget. In addition, DOTAX stated that issues of applicable federal tax are unaddressed.

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

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 884, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 326 Human Services on H.B. No. 1103**

The purpose of this bill is to abolish the Statewide Council on Independent Living to comply with federal law.

Specifically, this bill abolishes the Statewide Council on Independent Living which is within the Department of Human Services -- a condition that is prohibited by federal law and prevents the receipt of federal financial assistance.

Your Committee received testimony in support of this bill from the Department of Human Services, the State Council on Developmental Disabilities, the Executive Director, the Chairperson of the Board, and a member of the Statewide Independent Living Council, Hui Kupuna VIP, and one individual.

Your Committee finds that the Statewide Council on Independent Living was created by Act 197, Session Laws of Hawaii 1993, and placed within the Department of Human Services. Federal law, however, requires that the Council cannot be placed within a state agency and still receive federal funds. In response to the problem, the Legislature enacted Act 84, Session Laws of Hawaii 1995, which removed the Council from the Department of Human Services, but only until June 30, 1998. Thus, under existing law, the Council remains placed within a state agency resulting in confusion.

Your Committee finds that by abolishing the Statewide Council on Independent Living to remove the Council from within the Department of Human Services, this bill, will allow the State to comply with federal law and facilitate the receipt of federal financial assistance.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 327 Human Services on H.B. No. 1498**

The purpose of this measure is to assist victims of domestic violence.

Specifically, the measure appropriates funds to support eight emergency domestic violence shelters statewide.

Since 2004, the needs of domestic violence victims have increased dramatically. Without this measure's funding, the shelters are not able to meet the growing needs of the community.

Testimony in support of the bill was submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, Women Helping Women, Oahu VOICES, Child and Family Service, and Parents and Children Together. The Department of Human Services submitted comments.

Your Committee finds that as the economy declines, the levels of abuse are getting worse and the demand for services is increasing. Many shelters are experiencing a financial crisis and are in need of increased funding to avoid having to limit their services. In addition, the cost of operating shelters and providing necessary services is increasing.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1498 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 328 Human Services on H.B. No. 1496**

The purpose of this bill is to direct the Department of Human Services (DHS) to grant homeless assistance to families as an allowance for nonrecurring special needs when the homelessness is a direct result of domestic violence.

The Hawaii State Coalition Against Domestic Violence and several concerned individuals testified in support of this bill. DHS testified in opposition to this measure. The State Attorney General provided comments.

Your Committee emphasizes the concerns brought forth by the State Attorney General and DHS. The State Attorney General testified that this bill should be amended to clarify the terms. The wording of the proposed section does not limit the funding of this program to the availability of federal TANF funds and as such, the State may be obligated to provide the benefits using general funds. In addition, references to "temporary" and "permanent" assistance on page 2, lines 3-4 and 14-15 are not clearly defined, which is particularly important given that TANF funds are, by definition, temporary.

DHS specified several concerns including:

- (1) The proposed statutory language beginning on page 2, line 3 proposes TANF payments without regard to income or eligibility testing, which does not comply with Federal TANF requirements;
- (2) The proposed statutory language does not specify the number of payments or the length of time the certification would last;
- (3) Although this measure states that this payment would be a nonrecurring special needs payment, language on page 2, lines 9-19 imply that an individual may receive this payment more than once for an ongoing situation. If such is the case, payment recipients under this measure would be subject to Federal work participation requirements as established by the Federal Deficit Reduction Act of 2005; and
- (4) Non-assistance payments must be charged to a State's current year TANF block grant allocation, meaning that should this bill pass, it will limit the funding available for services that DHS is already providing. This will adversely impact DHS's priorities set forth in the Executive Biennium Budget for Fiscal Years 2009-2010.

Your Committee notes that should the Committee on Finance hear this measure, the Attorney General's Office and DHS will work on crafting language for an HD1. In addition, the Chair of the Human Services Committee respectfully requests notification if this is the case.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1496 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 329 Human Services on H.B. No. 1096**

The purpose of this bill is to make certain statutory sections consistent with federal regulations by adding definitions for "non-work eligible household," "other work eligible household," and "work eligible household," to sections of the Hawaii Revised Statutes applying to the Department of Human Services (DHS).

DHS testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1096, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 330 Human Services on H.B. No. 1097**

The purpose of this bill is to determine the assistance amount for the State-funded Assistance for Aged, Blind, and Permanently and Totally Disabled (AABD) public assistance program based on caseload and the total amount appropriated by the Legislature.

The Department of Human Services (DHS) testified in support of this bill. The Legal Aid Society of Hawaii (LASH), the American Civil Liberties Union of Hawaii, the National Association of Social Workers, and several concerned individuals testified in opposition to this measure.

Several concerns were raised that this bill effectively changes AABD from an entitlement program into a block-grant program. It was stated that this would expose one of the most vulnerable populations to fluctuations in benefits by basing allowance amounts on Legislative appropriations and caseload. In addition, it was pointed out that it is difficult to modify the program or add funds once a block grant is established. Since the AABD program is specifically geared toward individuals unable to qualify for federal assistance, it is important to maintain a safety net by keeping the level of assistance stable and predictable.

Your Committee emphasizes that DHS, LASH, and members of the Financial Assistance Advisory Committee have agreed to work together on this issue to craft language for legislation that takes into account both the needs of those receiving AABD and the fiscal concerns of the State.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1097, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 331 Human Services on H.B. No. 892**

The purpose of this bill is to prevent unintended or inadvertent violations of protective orders by requiring court review of protective orders every three years where the duration of the protective order exceeds three years.

The Office of the Public Defender and a concerned individual testified in support of this bill. The Judiciary and Domestic Violence Action Center opposed this measure.

Your Committee notes that, according to the Judiciary, periodic court reviews are unnecessary because under current procedures, both parties can and do file motions with the court—a straightforward and efficient process—to seek modification or dismissal of a protective order. Your Committee also notes the concern raised that periodic court reviews may place unwarranted burden on victims who simply want to move on with their lives rather than have to continually prove the need for a protective order to remain in force.

Your Committee has amended this bill by:

- (1) Specifying that in making a determination of whether a protective order should remain in force, the court shall consider evidence of abuse and threats of abuse that occurred subsequent to and not just prior to the initial restraining order; and
- (2) Changing its effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 892, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 332 Human Services on H.B. No. 1041**

The purpose of this bill is to allow the Hawaii Youth Correctional Facility to quickly obtain otherwise confidential information on youth committed to the facility from the courts, Department of Education (DOE), Department of Health, and Department of Human Services, necessary for treatment and care within the facility.

The State Attorney General and Office of Youth Services testified in support of this bill. DOE testified in opposition to this measure.

Your Committee acknowledges the concerns regarding confidentiality brought forth by the DOE. Representatives from the DOE and the State Attorney General have indicated a willingness to work together to craft proposed language acceptable to both as this measure moves through the legislative process.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 333 Human Services on H.B. No. 1095**

The purpose of this bill is to provide that notice to parents shall not be required if the parents have been served in a proceeding under the Child Protective Act and a permanent plan has been ordered by the court.

The Department of Human Services (DHS) testified in support of this measure. The Judiciary testified in opposition to this bill.

Your Committee notes that should the Committee on Judiciary hear this measure, DHS and the Family Courts have agreed to work together on crafting appropriate language for a proposed draft.

Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1095, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 334 Human Services on H.B. No. 1101**

The purpose of this bill is to give investigators of the Department of Human Services access to information necessary to investigate incidents at the Hawaii Youth Correctional Facilities.

The Office of Youth Services testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 335 Human Services on H.B. No. 1524**

The purpose of this bill is to prevent the courts from imprisoning victims of sexual assault and domestic violence for contempt of court if they refuse to testify about those specific incidents.

The Hawaii State Coalition Against Domestic Violence and a concerned individual testified in support of this bill. The Prosecuting Attorney and County of Maui Prosecuting Attorney testified in opposition to this measure.

The factors involved in compelling domestic violence victims to testify against their abuser are myriad and complex. Victims present legitimate reasons to avoid testifying while victim testimony appears to be a central element in convictions. As such, the Office of the Prosecuting Attorney and the Office of the Public Defender have agreed to undertake a study involving interested and willing stakeholders to examine the factors surrounding victim testimony in domestic violence cases. Your Committee emphasizes that all parties have agreed to serve without compensation and, therefore, no appropriations have been added to this measure.

Your Committee has amended this bill by:

- (1) Removing the statutory amendments prohibiting domestic violence victims from being held in contempt of court for refusing to testify;
- (2) Removing references to sexual assault;
- (3) Adding provisions directing the Office of the Prosecuting Attorney and the Office of the Public Defender to collaborate on a study examining the issue of victim testimony in domestic violence cases; and
- (4) Directing the cooperating agencies to submit a report to the Legislature with recommendations for appropriate legislation.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1524, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 336 Tourism, Culture, & International Affairs on H.B. No. 381**

The purpose of this bill is to extend to June 30, 2011, the lapse date for a \$4,000,000 appropriation to the State of Hawaii Endowment Fund, originally appropriated in Act 97, Session Laws of Hawaii 2006.

The Department of Accounting and General Services, Honolulu Symphony, and a concerned individual testified in support of this bill. The Honolulu Symphony Foundation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Removing the provisions extending the lapse date;
- (2) Inserting a provision stipulating that all portions of pledges not matched by an actual payment of the pledge by February 28, 2013, revert to the general fund; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 381, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 337 Tourism, Culture, & International Affairs on H.B. No. 681**

The purpose of this bill is to earmark an unspecified percentage of the allocation from the Transient Accommodations Tax (TAT) to the Tourism Special Fund (Special Fund) to be used for tourism product development.

The County of Hawaii Department of Research and Development, Airports Concessionaires Committee, HMSHost, International Currency Exchange, Kinki Nippon Tourist Company, Native Hawaiian Hospitality Association, Nishihama & Kishida, CPAs, Inc., Ilioulaokalani Coalition, Nature Conservancy, Council for Native Hawaiian Advancement, Association of Hawaiian Civic Clubs, West Kauai Business and Professional Association, Smarte Carte, Pookela, Poipu Beach Resort Association, Moanalua Gardens Foundation, Hawaii Maoli, Blind Vendors Ohana, Inc., King Kamehameha Celebration Commission, and many concerned individuals testified in support of this bill. A concerned individual supported this measure with amendments.

The Department of Business, Economic Development, and Tourism and Hawaii Hotel and Lodging Association opposed this bill. The Hawaii Tourism Authority, Visitor Aloha Society of Hawaii, Garden Island Arts Council, Outrigger Hotels, Tax Foundation of Hawaii, Kona Coffee Cultural Festival, Holualoa Foundation for Arts and Culture, Hawaii Capital Cultural Coalition, Academy of Hospitality and Tourism, and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Specifying that 40 percent of the TAT allocation to the Special Fund be used for tourism product development and cultural programs;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

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

**SCRep. 338            Tourism, Culture, & International Affairs on H.B. No. 682**

The purpose of this bill is to reduce from five years to two years the maximum term of contracts the Hawaii Tourism Authority (HTA) may enter into, except for contracts for the use of the convention center facility.

The HTA, the Hawaii Hotel & Lodging Association, and Outrigger Hotels submitted testimony in opposition to this bill.

Your Committee has amended this bill by:

- (1) Inserting an effective date of July 1, 2112, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 682, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 339            Tourism, Culture, & International Affairs on H.B. No. 754**

The purpose of this bill is to amend the composition of the Board of the Hawaii Tourism Authority (HTA) by:

- (1) Allowing the mayors of each county, President of the Senate, and Speaker of the House of Representatives, to make appointments in place of the gubernatorial appointments; and
- (2) Removing the ex-officio members of the Board and including them in an advisory group to HTA.

The Department of Business, Economic Development, and Tourism opposed this bill.

Your Committee has amended this bill by:

- (1) Removing provisions that allow the mayors of each county, President of the Senate, and Speaker of the House of Representatives, to make appointments in place of the gubernatorial appointments;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 340            Tourism, Culture, & International Affairs on H.B. No. 1204**

The purpose of this bill is to support Hawaii's tourism industry by requiring, for each of the fiscal years 2009-2010 and 2010-2011 only, an additional distribution of not more than \$10,000,000 in Transient Accommodations Tax revenues to the Tourism Special Fund.

The Hawaii Tourism Authority, Hawaii Hotel & Lodging Association, and Outrigger Hotels testified in support of this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1204, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 341            Tourism, Culture, & International Affairs on H.B. No. 946**

The purpose of this bill is to establish a state income-tax check-off for the Hawaii State Foundation on Culture and the Arts (SFCA).

The SFCA, Hawaii Arts Alliance, and several concerned individuals testified in support of this measure. The Department of Taxation and Department of Accounting and General Services opposed the bill. The Tax Foundation of Hawaii and Holualoa Foundation for Arts and Culture provided comments.

Your Committee amended this bill by inserting an effective date of July 1, 2112 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 946, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 342            Tourism, Culture, & International Affairs on H.B. No. 601**

The purpose of this bill is to expand the use of the Works of Art Special Fund (Special Fund) by allowing up to 50 percent of the Special Fund to be used for capital improvement projects, the purchase of facilities, and repair and maintenance of facilities dedicated to culture and the arts.

The Department of Accounting and General Services and a concerned individual supported the intent of this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Increasing the amount of state fund appropriations for capital improvement construction costs earmarked for the Special Fund from one to two percent;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 601, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 343            Tourism, Culture, & International Affairs on H.B. No. 1224**

The purpose of this bill is to:

- (1) Suspend until June 30, 2011, the transfer of one percent of all capital improvement project appropriations to the Works of Art Special Fund (Special Fund); and
- (2) Transfer any unexpended and unencumbered moneys in the Special Fund on June 30, 2009, to the appropriate capital projects fund to be allotted and expended for capital improvement projects.

The Department of Accounting and General Services testified in support of the intent of this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1224, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, McKelvey and Wooley.  
(Representatives Berg and Marumoto voted no.)

**SCRep. 344            Tourism, Culture, & International Affairs on H.B. No. 767**

The purpose of this bill is to revise the membership and appointment process of the Stadium Authority (Authority) by:

- (1) Increasing the membership of the Authority from nine to 11 members, of whom nine are voting members;

- (2) Specifying that:
- (A) Three members are to be appointed directly by the Governor;
  - (B) Three members are to be appointed from a list of nominees submitted by the President of the Senate; and
  - (C) Three members are to be appointed from a list of nominees submitted by the Speaker of the House of Representatives;
- and
- (3) Requiring the next six vacancies to be filled by the Governor from lists provided by the legislative leaders, alternating between the President of the Senate and Speaker of the House of Representatives, and requiring the following three vacancies to be filled directly by the Governor.

The Department of the Attorney General, Department of Accounting and General Services, and Authority testified in opposition to this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 767, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Evans, McKelvey and Wakai.  
(Representative Marumoto voted no.)

**SCRep. 345      Agriculture on H.B. No. 244**

The purpose of this bill is to enhance the long-term viability of Hawaii's agricultural operations by making the existing process for the establishment of preferential rates under the Public Utilities Commission (PUC) for potable water apply to any public utility service, including potable water, electricity, and freight transport, that is used for agricultural activities on lands within an agricultural district.

The Office of Hawaiian Affairs, a member of the Maui County Council, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and Maui County Farm Bureau supported this bill. The Department of Agriculture supported the intent of this measure. PUC submitted comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 244 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 346      Agriculture on H.B. No. 1351**

The purpose of this bill is to assist owners of neighboring agricultural lands by allowing them to establish private agricultural parks, registered with the Department of Agriculture (DOA), that are entitled to the incentives, protections, and priority permit processing procedures extended to lands designated as Important Agricultural Lands (IALs). In addition, this measure allows members within each private agricultural park to:

- (1) Engage in the generation, sale, transmission, and consumption of electricity, exempt from regulation by the Public Utilities Commission (PUC) except to ensure public health and safety;
- (2) Collect, sell, and distribute cold water to any other member of the park, exempt from county and state regulation;
- (3) Collect, sell, store, and distribute nonpotable irrigation water to any other member of the park, exempt from county and state regulation; and
- (4) Engage in any other lawful activity within the park that benefits one or more members of the park, exempt from county and state regulation.

The County of Hawaii Department of Research and Development, The Kohala Ditch Project, Hawi Agricultural and Energy Corporation, and several concerned individuals supported this bill. DOA opposed this measure.

Your Committee notes that concerns were raised during the public hearing on this measure regarding the scope of the regulatory exemptions allowed for the private agricultural parks. In addition, serious concerns were raised regarding the provision of IAL benefits for lands in the parks that may not be designated as IALs.

In light of these concerns, your Committee has amended this measure by:

- (1) Deleting the exemptions from county and state regulations, as well as the exemption from PUC regulation;
- (2) Deleting the provision that allows lands in the private agricultural park to access the incentives, protections, and priority permit processing procedures afforded to IALs; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 1, and be referred to the Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources.

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

**SCRep. 347      Agriculture on H.B. No. 243**

The purpose of this bill is to help ensure a reliable source of water for farming operations in the state by authorizing the issuance of general obligation bonds, with proceeds to be deposited into the Irrigation Repair and Maintenance Special Fund and used to fund repair and maintenance of specific irrigation systems in each county of the state, and for the Agricultural Water Use Development Plan and agricultural resource management.

Two members of the Maui County Council, Hawaii Farm Bureau Federation, Kona County Farm Bureau, Hawaii Crop Improvement Association, and Hawaii Agriculture Research Center supported this bill. The Department of Agriculture and Department of Land and Natural Resources submitted comments.

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

- (1) Renaming the existing Irrigation Repair and Maintenance Special Fund as the Agricultural Infrastructure Improvement Special Fund (Improvement Special Fund), and expanding the list of items for which funds in the Improvement Special Fund may be used to include agricultural water and land planning;
- (2) Adding the taro farmers' irrigation system in Hanalei, Kauai, to the specific list of irrigation systems receiving funding in this measure; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 243, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 348      Agriculture/Transportation on H.B. No. 1433**

The purpose of this bill is to encourage compliance with the the inspection, quarantine, and eradication service fee (inspection fee) by assessing fines on persons who fail to pay the inspection fee and on transportation companies that fail to remit the inspection fees collected to the Department of Agriculture (DOA).

In addition, this bill:

- (1) Prohibits a transportation company from releasing freight to the person responsible for paying the inspection fee until all fees and fines are paid;
- (2) Establishes fines for violations of this prohibition; and
- (2) [*sic*] Exempts cement and liquid bulk freight from the inspection fee assessment.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Audubon Society, Coordinating Group on Alien Pest Species, and Nature Conservancy of Hawaii supported this bill. DOA supported the intent of this bill. The Department of Land and Natural Resources, Hawaii Food Industry Association, Horizon Lines, LLC, Alexander & Baldwin, Inc., and Matson Navigation Company submitted comments.

Your Committees note that the Hawaii Food Industry Association requested that frozen and processed sealed foods be exempt from the inspection fee assessment, claiming that invasive species cannot live in freezing temperatures or inside pre-sealed processed food packages. However, concerns were raised regarding the potential for invasive species transmission via the containers that house these types of foods during shipping. Your Committees support continued discussion on this matter.

Upon further consideration and in light of discussions during the public hearing, your Committee has amended this measure by:

- (1) Deleting the provisions that:
  - (A) Prohibit a transportation company from releasing freight to the person responsible for paying the inspection fee until all fees and fines are paid; and
  - (B) Establish fines for violations of this prohibition;
- (2) In lieu of the fines for transportation companies that fail to remit the inspection fees collected to DOA, specifying that fines shall be assessed on a transportation company that does not:
  - (A) Bill the inspection fee to the person responsible for paying the freight charges to the transportation company within fifteen days of the delivery of the freight; or
  - (B) Remit the inspection fee to DOA within forty-five days of collecting the fee from the person responsible for paying the freight charges to the transportation company;

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

As affirmed by the records of votes of the members of your Committees on Agriculture and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1433, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1433, H.D. 1, and be referred to the Committee on Finance.



Signed by all members of the Committee except Representatives Berg, Choy, Rhoads, Saiki, Takumi and Wakai.

**SCRep. 349            Agriculture/Higher Education on H.B. No. 318**

The purpose of this bill is to assist farmers impacted by vog by requiring the Department of Agriculture (DOA), in consultation with the University of Hawaii College of Tropical Agriculture and Human Resources, to conduct comprehensive research to determine the best methods for employing vog treatments and find specific varieties of crops more resistant to the effects of vog.

A member of the Hawaii County Council, County of Hawaii Department of Research and Development, Ka'u Farm Bureau, and McCall Flower Farm, Inc., and several concerned individuals supported this bill. A concerned individual supported the intent of this measure. DOA and a member of the Hawaii County Council submitted comments.

Your Committees support future legislative efforts to address concerns regarding the availability of funding for this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 318 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hanohano, Manahan, McKelvey, Saiki, Shimabukuro, Wakai, Yamane, Finnegan and Marumoto.

**SCRep. 350            Labor & Public Employment on H.B. No. 955**

The purpose of this bill is to improve public safety by expanding the authority of the counties to conduct criminal history record checks on certain prospective employees.

The State Fire Council, Honolulu Fire Department, Department of Human Resources of the City and County of Honolulu, Honolulu Emergency Services Department, Department of Personnel Services of the County of Maui, Department of Human Resources of the County of Hawaii, and Kauai Fire Department testified in support of this bill. The Hawaii Civil Rights Commission testified in opposition to this measure.

Current law allows for certain positions within government, particularly those involving contact with children, dependent adults, or senior citizens, to be subject to pre-employment criminal history record checks.

Your Committee finds that there are additional positions within county government for which pre-employment criminal history record checks are not currently authorized that should be subject to these record checks to further ensure public safety, particularly in cases where the employee will have contact with children, seniors, or dependent adults.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 955 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 351            Labor & Public Employment on H.B. No. 1480**

The purpose of this bill is to provide increased protections for persons with disabilities from discrimination in employment by conforming state law to recently enacted federal laws that strengthen protections against disability discrimination in employment.

A concerned individual testified in support of this bill. The Disability and Communication Access Board and Hawaii Civil Rights Commission supported the intent of this measure. The Department of Human Services submitted comments.

Hawaii has had a long-standing policy to protect against discrimination in the workplace, including discrimination based upon a person's disability and has, in many respects, provided protections stronger than federal law. However, in 2005, federal law was amended to address certain Supreme Court decisions that Congress found interpreted definitions of disability inconsistently with legislative intent. This bill conforms state law with these recent changes to federal law.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1480 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 352            Labor & Public Employment on H.B. No. 314**

The purpose of this bill is to address the negative effect volcanic emissions have on an employee's ability to work by requiring the Department of Labor and Industrial Relations (DLIR) to develop rules for workers' compensation claims related to the exposure to vog.

The Mayor of the County of Hawaii, Councilmember for Council District 6 of the Hawaii County Council, Department of Research and Development of the County of Hawaii, Ka'u Farm Bureau, and several concerned individuals testified in support of this bill. DLIR, ILWU Local 142, and the Hawaii Insurers Council opposed this measure. The Councilmember for Council District 5 of the Hawaii County Council submitted comments.

Hawaii, particularly the island of Hawaii, has experienced significant episodes of high levels of volcanic emissions when a new vent opened in Halema'uma'u Crater in March of 2008. These periods of high emissions often result in a severely deteriorated air quality that causes residents and workers to experience respiratory ailments, headaches, and other illnesses. As a result, workers do not report for work or leave work early. This not only results in lost time at work but also results in lost income causing hardships for the employee. Rules to provide for vog related workers' compensation claims would go a long way to assisting these employees.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki, Takumi and Pine.

**SCRep. 353 Labor & Public Employment on H.B. No. 315**

The purpose of this bill is to protect the health and safety of workers exposed to volcanic emissions by requiring the Department of Labor and Industrial Relations (DLIR), in consultation with the Department of Health (DOH) and the Inter-agency Task Force on Vog (Task Force), to establish standards to promote worker safety during high incidences of vog or sulfur dioxide.

The Mayor of the County of Hawaii, Councilmember for Council District 6 of the Hawaii County Council, Department of Research and Development of the County of Hawaii, Ka'u Farm Bureau, and several concerned individuals testified in support of this bill. DLIR supported the intent of this measure. The Hawaii Insurance Council opposed this bill. The Councilmember for Council District 5 of the Hawaii County Council submitted comments.

Many workers, especially those on the Island of Hawaii, have work-related duties or work in environments that expose them to high levels of vog or sulfur dioxide. Exposure to these substances has recently increased, mainly due to an increase in emissions from a new vent at the Halema'uma'u Crater on Kilauea Volcano. This increased exposure has posed health risks, with people becoming ill. No standards currently exist to measure the occupational safety and health impacts of the exposure to vog or sulfur dioxide. Developing appropriate work safety standards during high incidences of vog or sulfur dioxide will allow employers and workers to respond appropriately to protecting the health and safety of workers.

However, your Committee understands that other agencies, particularly on the federal level, may also need to be consulted prior to DLIR's development of new workplace safety standards. Accordingly, your Committee has amended this measure by requiring that DLIR consult with the National Institute for Occupational Safety and Health, Occupational Safety and Health Administration, and the American Conference of Governmental Industry Hygienists, in addition to DOH and the Task Force, prior to establishing any worker safety standards.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 315, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki, Takumi and Pine.

**SCRep. 354 Labor & Public Employment on H.B. No. 1288**

The purpose of this bill is to bring impartiality to the independent medical examination (IME) and permanent impairment rating examination (PIRE) process in the workers' compensation system by:

- (1) Requiring that mutually agreed-upon physicians be used to conduct IMEs or a PIRE; and
- (2) Establishing a process for the appointment of a physician to conduct an IME or PIRE if the parties cannot mutually agree on a physician to conduct the IME.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii State AFL-CIO, Hawaii Injured Workers Alliance, Vocational Management Consultants, and several concerned individuals testified in support of this bill. The Hawaii Chapter-American Physical Therapy Association, Hawaii State Chiropractic Association, and a concerned individual supported the intent of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Retail Merchants of Hawaii, General Contractors Association of Hawaii, American Insurance Association, Property Casualty Insurers Association of America, Building Industry Association of Hawaii, Hawaii Insurers Council, Chamber of Commerce of Hawaii, Hawaii Independent Insurance Agents Association, Maui Chamber of Commerce, and Hawaiian Airlines testified in opposition to this bill. A concerned individual submitted comments.

The workers' compensation law was established as a "no-fault" law to provide an injured worker medical treatment necessary to allow the worker to return to work. In return, the injured worker gave up the right to sue the employer. This system appeared to be a "win-win" situation for both the employer and employee--the employee got necessary treatment while the employer would, in time, be able to employ a productive worker. However, over the years, this process has become more adversarial in nature to the detriment of both employers and employees.

Unfortunately, these disputes often carry over into the medical examination process. IMEs, which were intended to provide a fair and impartial assessment of the medical care being given to a patient and the future medical needs of that patient, are often points of contention with both employers and employees making accusations regarding the fairness of the IME. This measure is an attempt to bring balance to the system by providing that mutually agreed-upon physicians be used for conducting IMEs and establishing a process for appointing a physician should the parties not be able to agree upon a physician.

Your Committee understands that workers' compensation is a complex issue and that concerns regarding the fairness and equity of the system proposed in this bill remain. However, this measure warrants further discussion.

Your Committee also recognizes that the 30-day timeframe currently provided by this bill for conducting an IME or PIRE may not be adequate as many doctors providing these services are currently booked beyond 30 days. Accordingly, your Committee has amended this bill by changing the timeframe to 45 days.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1288, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 355 Labor & Public Employment on H.B. No. 826**

The purpose of this bill is to:

- (1) Establish requirements for contractors who bid on public work projects;
- (2) Require contractors bidding on a public work to maintain an apprenticeship program;
- (3) Require that no less than fifteen per cent of labor hours on a public work project costing one million dollars or more be performed by individuals enrolled in an apprenticeship program; and
- (4) Establishing penalties for a violation of the established requirements.

The Ironworkers Stabilization Fund Local 625 testified in support of this bill. The Hawaii Carpenters Union supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR) did not support this bill.

According to DLIR, no restrictions currently exist on the eligibility of individuals to work on a public works project and bidders on a public works are not required to have established apprenticeship programs as part of their eligibility. As such, the possibility exists for unscrupulous bidders and contractors to manipulate the system. Your Committee finds that establishing requirements for contractors who bid on state construction projects will place all contractors on a level playing field.

Your Committee also notes that by establishing apprenticeship program requirements and requirements for the use of apprentices on a public work project, a skilled construction workforce can be maintained for years to come.

Your Committee has amended this bill by:

- (1) Specifying that DLIR shall order the governmental contracting agency to permanently remove the party or contractor from any further work on a public work if compliance with the established requirements is not obtained within 20 days after a notification of non-compliance; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 826, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 356 Labor & Public Employment on H.B. No. 987**

The purpose of this bill is to help alleviate the effects of a slowing economy and the impacts it will have on Hawaii's workforce by:

- (1) Assisting unemployed individuals who have used all available unemployment insurance benefits with obtaining employment in needed public service jobs, including, whenever feasible, obtaining related training and manpower services that will enable these individuals to move into temporary full-time or part-time employment or training; and
- (2) Providing subsidies for private employers to participate in the employment programs that involve the training and hiring of unemployed persons.

The Laborers' International Union of North America, Local 368, testified in support of the intent of this bill. The Department of Labor and Industrial Relations testified in opposition to this measure.

Hawaii, as well as the rest of the nation, is currently facing a declining economy, with certain economic factors experiencing numbers that have not been seen in decades. One of these factors, unemployment rates, has been steadily increasing and is only expected to rise in the near future with the continued closure of businesses due to the weakened economy. As unemployment not only has an effect on the unemployed individual but also impacts other sectors of the economy resulting in worsening economic conditions, it would be prudent to reduce the number of unemployed individuals in the state. This measure takes a proactive approach in alleviating the high rates of unemployment through the development of a state unemployment program.

However, your Committee notes the concerns raised that employers obtaining a subsidy to train and permanently hire unemployed persons may be used by these individuals to replace workers currently employed in similar positions. Accordingly, your Committee has amended this measure by inserting language that prohibits employers who are given this subsidy from directly replacing workers already employed in those positions.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 357 Labor & Public Employment on H.B. No. 1104**

The purpose of this bill is to assist eligible state and participating county employees to start preparing early for retirement by automatically enrolling new employees into the State of Hawaii Deferred Compensation Plan (Plan) while still providing an employee flexibility with an opt out provision.

The Department of Human Resources Development and Board of Trustees for the Plan testified in support of this bill. The Department of Human Resources for the County of Hawaii supported the intent of this measure. The Department of Personnel Services of the County of Maui testified in opposition to this bill.

Rising inflation and a weakening economy over the past few years have made retirement planning all the more important. Industry experts predict that employees who rely on their pensions and Social Security benefits for their retirement income may not have sufficient financial resources to keep up with these rising costs. Moreover, many younger employees are not initially concerned with retirement and therefore do not start to save for their retirement until later in their lives.

Hawaii's Plan, which is a tax-deferred plan, was established as a means for employees to supplement their retirement income. However, approximately 35 percent of Hawaii's eligible employees currently participate in the Plan. By automatically enrolling a new employee into the Plan, the new employee will be encouraged to start saving for their retirement.

However, your Committee has concerns that individuals who may want to opt out of the Plan may lose funds via the Plan's risky investment choice and that confusion may result over the time frame under which an employee may opt out of the Plan. Accordingly, your Committee has amended this bill by:

- (1) Requiring that the default investment option selected by the Board of Trustees of the Plan into which an employee's initial contributions shall be deposited will be an option providing a fixed income; and
- (2) Stipulating that the decision to opt out of participating in the Plan should be clearly communicated by the employee to the Plan administrator within 90 calendar days after the employee receives their first paycheck rather than 90 days after the employee's first contribution is deposited into the plan.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1104, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 358 Labor & Public Employment on H.B. No. 1125**

The purpose of this bill is to implement the Legislative Auditor's (Auditor) recommendations regarding certain special funds under the jurisdiction of the Department of Labor and Industrial Relations (DLIR) and to improve the efficiency of the Disability Compensation Division (DCD) of DLIR by:

- (1) Reclassifying various funds under the jurisdiction of DLIR from special funds to trust funds; and
- (2) Allowing the use of \$5 million from the Temporary Disability Insurance Special Fund for the automation of the Workers' Compensation, Prepaid Health, and Temporary Disability Insurance programs of DCD.

DLIR testified in support of this bill.

Currently, DLIR has jurisdiction over various special funds including the Unemployment Compensation Fund, the Special Compensation Fund, Temporary Disability Insurance Special Fund, and the Premium Supplementation Special Fund. The Auditor reported and recommended that these special funds be reclassified as trust funds based upon certain criteria. This measure implements these recommendations.

In addition, the efficiency of the operations of DCD is hindered because the division is facing storage problems and is equipped with antiquated equipment, including outdated computer programs. By using moneys from the Temporary Disability Insurance Special Fund for the automation of DCD's Workers' Compensation, Prepaid Health, and Temporary Disability Insurance programs for automation purposes, the long term administrative costs of DLIR can be lessened while the efficiency of DCD will be greatly improved.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1125, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 359 Labor & Public Employment on H.B. No. 1550**

The purpose of this bill is to begin to address general fund revenue shortfalls by amending Hawaii's tax law to impose the state income tax on rollovers made by state and county employees from qualifying deferred-compensation plans and qualifying annuity plans to eligible retirement plans or individual retirement accounts.

The Department of Taxation (DOTAX) and Tax Foundation of Hawaii commented on this measure.

Currently, employees who roll over or transfer contributions from their deferred-compensation plans to purchase Employees' Retirement System membership service credits or to upgrade their Noncontributory Plan service to Hybrid Plan service in the future are not assessed an income tax on these funds. This situation poses a problem for pension distributions from the Hybrid Plan because by law, pension distributions from the Hybrid Plan are not subject to income tax. Therefore, these rollover or transferred funds would completely escape Hawaii income tax.

Inasmuch as funds from deferred compensation plans would normally be taxed when an employee withdraws these funds since these funds were withheld from an employee's pre-tax wages, taxing the rolled over or transferred funds at the time they are rolled over or transferred would appear to be equitable and fair.

However, your Committee notes concerns raised by DOTAX that this bill, as currently written, would subject any individual transferring funds from qualified annuities or deferred-compensation plans into another qualified plan or individual retirement account to income tax. Accordingly, your Committee has amended this bill by stipulating that taxation of the rollover shall only apply to funds used solely to obtain retirement credits.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 360 Labor & Public Employment on H.B. No. 1676**

The purpose of this bill is to clarify Hawaii's prevailing wage law and ensure payment of prevailing wages on projects financed with special purpose revenue bonds (SPRBs) by requiring project parties to submit a collective bargaining agreement to the Director of the Department of Labor and Industrial Relations (DLIR) which will serve as the basis for compliance with all applicable prevailing wage requirements.

Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill. DLIR testified in opposition to this measure.

Currently, public works projects require the payment of prevailing wages. In 2007, the Legislature enacted Act 61 which specified that projects funded by SPRBs were considered public works and, therefore, subject to Hawaii's prevailing wage law. Since some companies that finance projects with SPRBs also use their own unionized employees on the particular project, allowing for the properly submitted collective bargaining agreement to serve as the basis for compliance with Hawaii's prevailing wage law appears reasonable.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1676 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 361 Labor & Public Employment on H.B. No. 1738**

The purpose of this bill is to repeal the January 2, 2011, sunset date on the prohibition on approving Employees' Retirement System (ERS) benefit enhancements while an unfunded accrued liability exists.

The Department of Budget and Finance and ERS Board of Trustees testified in support of this bill. The United Public Workers, AFSCME, Local 646, AFL-CIO opposed this measure.

The ERS Board of Trustees reported that the ERS' unfunded actuarial accrued liability on June 30, 2008, was \$5,168,000,000, and the actuarial funded ratio was 68.8 percent. Your Committee notes that a moratorium on retirement benefit enhancement proposals would greatly reduce the ERS' unfunded actuarial accrued liability, and finds that a permanent moratorium is prudent and necessary especially in light of the current economic crisis.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1738 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 362 Labor & Public Employment on H.B. No. 1479**

The purpose of this bill is to obtain better information and ensure payment of fringe benefits on public works projects by requiring:

- (1) The Department of Labor and Industrial Relations (DLIR) to determine the prevailing cost of fringe benefits through a biannual survey of all general contractors and subcontractors who have been party to a public works contract within six months prior to the survey;
- (2) DLIR to develop a standardized form for the biannual survey that will specify costs paid for certain fringe benefits;
- (3) That a certified copy of a fringe benefit reporting form supplied by DLIR be submitted weekly to a governmental contracting agency for review; and
- (4) That an itemized list of fringe benefit costs paid for each employee by the general contractor or subcontractor be included on payroll records.

The Hawaii Operating Engineers Industry Stabilization Fund testified in support of this bill. DLIR testified in opposition to this measure.

Currently, proving that fringe benefit wages were not paid is difficult for an employee as there is no itemized listing of payments of fringe wages on payroll records. By requiring the itemization of these payments, compliance with rules regarding the payment of fringe benefits will be ensured.

Your Committee has amended this measure by:

- (1) Deleting language requiring DLIR to determine the prevailing cost of fringe benefits through a biannual survey of all general contractors and subcontractors who have been party to a public works contract within six months prior to the survey;
- (2) Deleting language requiring DLIR to develop a standardized form for the biannual survey that will specify costs paid for certain fringe benefits; and

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1479, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 363 Labor & Public Employment on H.B. No. 1287**

The purpose of this bill is to ensure that a fair and equitable civil service system is used for a majority of employees in public service by changing the status of public employment positions that are statutorily exempt from civil service to civil service positions. This measure conforms to the intent and purpose of Act 253, Session Laws of Hawaii 2000, better known as the "Civil Service Reform Act."

This bill also requires that civil service exempt positions be converted to civil service positions every three years unless their exempt status is extended by the Legislature.

The Hawaii Government Employees Association testified in support of this bill. The Judiciary, Department of Accounting and General Services, Department of Human Resources Development, Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, Department of Public Safety, Department of Commerce and Consumer Affairs, Disability and Communication Access Board, Department of the Attorney General, Department of Health, Office of the Public Defender, and Department of Labor and Industrial Relations testified in opposition to this measure.

To preserve the principle that the civil service system comprises all positions in the state, your Committee finds that the number of civil service exempt positions should be limited to the greatest extent possible. The proliferation of exempt positions in the state over the years tends to undermine this principle. Placing limits on the number of exempt positions and regularly monitoring the implementation of those limits will help preserve the integrity of the civil service system.

Your Committee has amended this bill by:

- (1) Removing the requirement that civil service exempt positions be repealed every three years unless extended by the Legislature;
- (2) Providing for the automatic conversion of civil service exempt positions to civil service positions within three years of the enactment of this measure;
- (3) Deleting the provision that makes it mandatory for employees of the Office of the Public Defender to be appointed in accordance with civil service requirements; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1287, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 364 Labor & Public Employment on H.B. No. 1536**

The purpose of this bill is to alleviate some of the effects of the current fiscal crisis the State is facing by establishing a salary freeze for certain members of the executive, legislative, and judicial branches of government.

The Governor, Department of Human Resources Development, and several concerned individuals testified in support of this bill. Two concerned individuals testified in opposition to this measure.

Hawaii, as well as the rest of the country, is facing difficult economic times that, according to some, have not been faced since the 1980s or even the Great Depression. Hawaii alone is facing an estimated budget deficit of \$1.2 billion, a number that may increase when the next projections from the Council on Revenues are released in March. Although salary increases were approved by the salary commission for members of the executive, legislative, and judicial branches, these increases were approved at a time when Hawaii's economic future looked bright. While the freezing of these salary increases only amount to a small savings in relation to the entire deficit, your Committee finds that in recognition of Hawaii's current fiscal situation, this would be the most prudent thing to do.

However, your Committee finds that as currently written, this measure does not make clear what action is to be taken once the salary freeze is lifted. Accordingly, your Committee has amended this bill by stipulating that on January 1, 2012, salary increases approved prior to the enactment of this Act shall be implemented.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1536, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

**SCRep. 365 Energy & Environmental Protection on H.B. No. 1272**

The purpose of this bill is to make clarifying amendments to the Electronic Waste Recycling Act (EWRA), including broadening the exemption for computer manufacturers with sales of no more than 100 per year to apply to all such manufacturers, not just those who manufacture specialized computers and are located in Hawaii.

The Department of Health (DOH) did not support this measure.

Your Committee finds that this bill makes important clarifications to the original EWRA, as recommended in a report prepared by the Television Temporary Working Group and DOH pursuant to Act 15, First Special Session Laws of Hawaii 2008. However, your Committee notes that DOH, as stated in its written testimony on this bill, is now opposed to enacting these recommendations.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1272 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 366            Energy & Environmental Protection on H.B. No. 1627**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Carbon Diversion, Incorporated in the development of cogeneration facilities for the production of electricity using non-fossil fuel feedstock.

Officials from Carbon Diversion, Incorporated, the Waimea Hawaiian Homesteaders' Association, Inc., and two individuals supported this measure. The Department of Budget and Finance provided comments.

Your Committee finds that fossil fuels, the source for most of the State's electricity production, remains a scarce and volatile commodity. Finding alternative energy sources, such as non-fossil fuel feedstocks, is vital to reducing Hawaii's dependence on fossil fuel consumption. Providing special purpose revenue bonds to generate energy from non-fossil fuel feedstock will encourage growth in the renewable energy sector.

Your Committee has amended the measure for clarity by amending language in section 1 of the measure to more accurately reflect the electricity producing processes that Carbon Diversion, Incorporated will employ in the cogeneration facilities.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 367            Judiciary on H.B. No. 131**

The purpose of this bill is to allow individuals to claim unclaimed property from the State of less than an unspecified fair market value through the use of a notarized affidavit signed under penalty of unsworn falsification.

The Department of Budget and Finance opposed this bill.

Your Committee finds that an individual may claim, among other things, an uncashed check by swearing that the claimant maintained a business relationship with the check's issuer at or near the time of issue. To tighten this provision, your Committee has amended this bill by requiring that the business relationship must have existed within a specific number of months prior to the issuance of the check. Your Committee respectfully requests that the Committee on Finance determine an appropriate length of time.

Your Committee has further amended this bill by changing the effective date to January 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 131, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 368            Judiciary on H.B. No. 136**

The purpose of this bill is to allow graffiti offenders to discharge a community service sentence by:

- (1) Establishing a Graffiti Eradication Sentencing Program (Program) within the Judiciary;
- (2) Requiring the Judiciary to submit an annual report to the Legislature; and
- (3) Appropriating funds for the Program.

The Judiciary offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 136, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 369            Judiciary on H.B. No. 298**

The purpose of this bill is to make an emergency appropriation in the amount of \$1,854,425 for electricity payments for the Judiciary.

The Judiciary testified in support of this bill.

Your Committee notes that Section 9 of Article VII of the Hawaii Constitution requires that no appropriation bill, except for bills recommended for immediate passage by the Governor, be passed on final reading before the general appropriation bill is transmitted to the Governor.

The Legislature has not received a recommendation by the Governor that this measure be passed immediately. Your Committee notes that a number of concerns have been raised with regard to energy management, including:

- (1) There appears to be a lack of serious effort by the Judiciary to reduce electricity consumption;
- (2) There appears to be no interest in using available technology to conserve or generate sources of electrical power; and
- (3) The need to send a message to the Judiciary that continued mismanagement of energy is not acceptable.

Nonetheless, your Committee would like to continue discussion on this matter despite the concerns that have been raised.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.  
(Representative Thielen voted no.)

**SCRep. 370            Judiciary on H.B. No. 299**

The purpose of this bill is to ensure the continuation of a valuable tool used in criminal investigation by establishing the payment priority of the DNA analysis fee over other fees and fines assessed against a defendant by the court.

The Judiciary testified in support of this bill. The Honolulu Police Department offered comments.

Your Committee has amended this bill by:

- (1) Inserting a savings clause;
- (2) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 299, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 371            Judiciary on H.B. No. 620**

The purpose of this bill is to ensure public safety by authorizing the court, at time of sentencing, to require a person with three or more convictions of sexual assault in the first degree to wear a global positioning system transmitter for up to 10 years after the person's release from prison. This bill also classifies as a class C felony the removal or disabling of the transmitter.

The Department of Public Safety testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Replacing the term "global positioning system transmitter" with "electronic monitoring device";
- (2) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 620, H.D. 1, and be referred to the Committee on Finance.

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



**SCRep. 372            Judiciary on H.B. No. 623**

The purpose of this bill is to allow the Attorney General to contract with the counties to process and issue state certificates of identification. This bill also allows state identification administration to be carried out at county facilities.

The Waipahu Neighborhood Board testified in support of this bill. The Department of Customer Services of the City & County of Honolulu offered comments.

Your Committee notes that the City & County of Honolulu has sought clarification concerning reimbursement from the State to the counties in the event that counties assume the operations allowed under this measure. Your Committee understands that the terms of payment and other considerations between the State and counties will be negotiated and clarified in the contract documents, and therefore does not find it necessary at this time to require reimbursement in the wording of the proposed statute.

Your Committee has made non-substantive revisions to this measure to recognize the fact that counties other than the city and county of Honolulu do not have satellite city halls.

Your Committee has also amended this bill by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 623, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 373            Judiciary on H.B. No. 1713**

The purpose of this bill is to mitigate hazardous situations on private property that may result in falling tree branches, unstable soil and rock conditions, and flooded streams.

This bill authorizes the State, when no emergency exists, to enter onto private property at reasonable times to mitigate hazardous conditions after giving the landowner notice. If entry is denied, the State may obtain a warrant to enter the premises.

Five individuals testified in support of this bill. The Department of Defense supported the intent of this measure.

Your Committee finds that hazardous situations may arise due to landowners who fail to properly maintain their properties. Adjoining or other nearby landowners have little recourse other than costly and time-consuming litigation while a hazardous condition continues or even worsens.

Your Committee has amended this bill by:

- (1) Authorizing the State to recover expenses incurred in mitigating the hazardous situation and specifying that any expenses imposed against the landowner shall be a lien on the landowner's property;
- (2) Changing the effective date to January 1, 2046, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 374            Judiciary on H.B. No. 28**

The purpose of this bill is to prohibit the sale of dead human bodies, including human bodies or remains that have been plastinated through the use of polymers, and to raise the monetary penalty for misuse of a dead human body from \$1,000 to \$5,000.

The American Association of Clinical Anatomists, the Laogai Research Foundation, and several concerned individuals submitted testimony in support of this measure.

Your Committee notes that the use of the phrase "death recently occurred" in the proposed definition of "dead human body" may be too vague to allow clear understanding and proper enforcement of the prohibition. Your Committee has directed proponents of the measure to clarify this matter for future consideration.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making nonsubstantive, technical revisions for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 28, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 28, H.D. 1.

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

**SCRep. 375            Judiciary on H.B. No. 29**

The purpose of this bill is to establish a permit system for the display of dead human bodies.

Laogai Research Foundation and several concerned individuals submitted testimony in support of this bill. The Department of Health opposed this measure.

Your Committee notes that the definition of "dead human body" in this bill includes the phrase "death recently occurred," which may be too vague to allow for proper enforcement. Your Committee has directed proponents of the measure to clarify this matter for further consideration.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive revisions for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 29, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 29, H.D. 1.

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

**SCRep. 376            Judiciary on H.B. No. 297**

The purpose of this bill is to adopt the new Interstate Compact for Juveniles (Compact) to ensure the supervision of juveniles from state to state and ensure the return of juvenile runaways, escapees, and absconders to the supervising state, preventing juveniles from committing other crimes or becoming victims themselves. This bill also:

- (1) Establishes the family court's jurisdiction under the Compact; and
- (2) Appropriates funds for the State's share of the administrative expenses of the Compact.

The Judiciary and Office of Youth Services testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (2) Make technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 297, H.D. 1.

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

**SCRep. 377            Judiciary on H.B. No. 643**

The purpose of this bill is to prohibit the employment of workers on public work projects who are ineligible to work in the United States under federal law.

The Pacific Resource Partnership testified in support of this bill. The Department of Labor and Industrial Relations, the Hawaii Civil Rights Commission, the Hawaii Immigrant Justice Center, the Building Industry Association of Hawaii, and a concerned individual opposed this measure. The Attorney General (AG) offered comments on this bill.

Your Committee notes that the AG testified persuasively that, in cases of employment of ineligible non-citizens, the imposition of fines or penalties other than license revocation is pre-empted by federal law.

Accordingly, your Committee has amended this measure by deleting the imposition of fines and penalties for violations and retaining only that portion relating to license revocation, suspension, and renewal. Your Committee finds that "knowingly or intentionally" is an appropriate standard to use for the state of mind required to result in license revocation, suspension, or nonrenewal in these cases, but notes that reckless disregard by a contractor might also be considered as a standard in future discussion.

Your Committee has also amended this measure by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 643, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 643, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 378            Judiciary on H.B. No. 1025**

The purpose of this bill is to restore a statutory provision allowing for presentence mental or medical examination of a defendant as part of the judiciary's presentence investigation process.

Your Committee received testimony in support of this bill from the Judiciary, the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Department of the Prosecuting Attorney for the County of Maui.

Your Committee amended the bill by:

1.            Inserting a savings clause;
2.            Changing the effective date to January 1, 2046; and
3.            Making technical, nonsubstantive changes for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1025, H.D. 1.

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

**SCRep. 379            Judiciary on H.B. No. 1037**

The purpose of this bill is to abolish joint and several liability of the state and county governments for tort claims relating to the maintenance and design of highways.

The Department of the Attorney General, Department of Transportation, Office of the County Attorney of the County of Kauai, and Office of the Corporation Counsel of the County of Hawaii testified in support of this bill. Hawaiian Telcom, the American Public Works Association Hawaii Chapter, Hawaii Association for Justice, and American Council of Engineering Companies of Hawaii opposed this measure. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company offered comments.

Your Committee notes that by abolishing joint and several liability of state and county governments in the types of cases this measure addresses, there is the potential for plaintiffs to receive additional disproportionate damages awards through joint and several liability of such defendants as government-contracted and government-supervised design professionals and engineers. Additionally, public utility companies may also be forced to bear additional financial burdens beyond their actual share of fault under the terms of this measure. Your Committee notes these concerns and urges their further consideration.

Your Committee has amended this bill by:

- (1)            Changing its effective date to July 1, 2009; and
- (2)            Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1037, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1037, H.D. 1.

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

**SCRep. 380            Judiciary on H.B. No. 1168**

The purpose of this bill is to allow the Director of Transportation to adopt rules to require users or occupiers of airport land, buildings, or facilities to defend, indemnify, and hold harmless the State against all claims, suits, and demands arising out of or resulting from the use or occupation.

The Department of Transportation testified in support of this bill.

Your Committee has amended this bill by:

- (1)            Clarifying that use or occupation relates only to business or commercial activities;
- (2)            Specifying that the Director of Transportation may adopt rules relating to the designation of airport operational areas; and
- (3)            Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1168, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 381            Judiciary on H.B. No. 1187**

The purpose of this bill is to reunite homeless persons stranded in Hawaii with their families and relatives in their home states.

This bill directs the Hawaii Public Housing Authority (HPHA) to assist eligible homeless persons through the Return-to-Home Program (Program), which will help these individuals in reuniting with their families. The sum of \$75,000 is appropriated for each year of the fiscal biennium to implement the Program.

The Visitor Aloha Society of Hawaii and two concerned individuals testified in support of this bill. HPHA supported the intent of this measure. No More Shelters and two concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Deleting the appropriated amount;
- (2) Changing the effective date to July 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1187, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1187, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.  
(Representative Thielen voted no.)

**SCRep. 382 Economic Revitalization, Business, & Military Affairs on H.B. No. 477**

The purpose of this bill is to spur the development of Hawaii's high technology sector, increase our use of available federal funds, and encourage the hiring of Hawaii residents by establishing a tax credit for federal Department of Defense contractors who are qualified high technology businesses. The credit is equal to an unspecified dollar amount for each Hawaii resident the contractor hires in the year that the credit is claimed.

AMARCOR testified in support of this bill. The Department of Taxation opposed this bill.

Your Committee heard testimony that although millions of dollars in federal funding is available and being spent in connection with Hawaii's military facilities, much of the work is being done by out-of-state contractors who bring their own professional staff to Hawaii. Once the work is done, these contractors leave the islands. There was testimony that a more than competent professional workforce for these contractors is available in our state, and that incentives for hiring Hawaii workers were needed to change the prevailing mindset and practice of these out-of-state Department of Defense contractors.

Your Committee finds that the experience gained by working on these government contracts would enrich the high technology business community in Hawaii by giving Hawaii residents valuable experience and the ability to start businesses rooted in the local community, which in turn would be able to undertake Department of Defense contracts.

However your Committee is cognizant of the State's difficult budgetary situation, and to allow the conversation on this measure to continue, the bill's effective date has been changed to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 477, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 383 Agriculture on H.B. No. 240**

The purpose of this bill is to support drought mitigation efforts by appropriating \$4,000,000 for a grant-in-aid (GIA) to the counties for agricultural drought mitigation measures and projects.

Two members of the Maui County Council, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Kona County Farm Bureau, and Maui County Farm Bureau supported this bill. The Department of Agriculture supported the intent of this measure. The Department of Land and Natural Resources (DLNR) submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the GIA may be used for drought mitigation planning;
- (2) Requiring each county to coordinate its drought mitigation activities with DLNR as a condition for expending funds appropriated in this measure; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that drought mitigation measures may entail a lengthy and thorough planning and implementation process. Funds appropriated in this bill may lapse before they can be expended for their intended purposes. Your Committee respectfully requests future legislative consideration for the insertion of a provision to extend the lapse date of funds appropriated in this bill to June 30, 2011.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 240, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 384 Agriculture/Water, Land, & Ocean Resources on H.B. No. 245**

The purpose of this bill is to support renewable energy development in Hawaii by declaring that the siting, development, construction, and operation of a renewable energy facility shall be deemed to be compatible with the:

- (1) Purposes, standards, and permissible uses of lands within the conservation and agricultural districts; and
- (2) Objectives, policies, and guidelines of the special management area and applicable county general plans and zoning ordinances.

Castle & Cooke Hawaii, The Chamber of Commerce of Hawaii, Hawaii Developers' Council, and Hawaii Crop Improvement Association supported this bill. The Department of Business, Economic Development, and Tourism, Department of Agriculture, Department of Land and Natural Resources, and Sierra Club, Hawaii Chapter, opposed this bill.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 245 and recommend that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

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

**SCRep. 385            Agriculture/Water, Land, & Ocean Resources on H.B. No. 975**

The purpose of this bill is to provide additional flexibility to the operations of the Agribusiness Development Corporation (ADC) by authorizing ADC to acquire by grant, purchase, or gift the real, personal, or mixed property comprising an agricultural water system to provide water for irrigation of agricultural lands. In addition, this bill:

- (1) Requires the owner of an agricultural water system acquired under this bill to provide a description of the system sufficient to identify the property being acquired; and
- (2) Exempts the conveying of the property of an agricultural water system to ADC from county subdivision requirements.

ADC, Hawaii Agriculture Research Center, Kamehameha Schools, and Hawaii Farm Bureau Federation supported this bill. The Office of Hawaiian Affairs (OHA) supported this bill with amendments. The Department of Planning and Permitting of the City and County of Honolulu (DPP) opposed this measure.

Your Committees recognize that concerns were raised regarding the exemption from county subdivision requirements. OHA requested the insertion of additional language to prevent potential abuses by clarifying that the exemption applies only for the purpose of irrigation of agricultural lands. In addition, testimony submitted by DPP indicated that one of the county subdivision oversight functions is to ensure that any lots to be subdivided are provided with adequate access and necessary utilities, and are also deemed suitable and not prone to flooding, bad drainage, rockfall, or other potentially harmful conditions. Furthermore, lots that are subdivided and recorded without county approval lack an official record with the county. The absence of such records may hinder the issuance of future building or other development permits. Your Committees support future legislative efforts to address these issues.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 975 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Luke, McKelvey and Wakai.  
(Representative Marumoto voted no.)

**SCRep. 386            Economic Revitalization, Business, & Military Affairs on H.B. No. 1242**

The purpose of this bill is to effectuate its title.

H.B. No. 1242 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1242, as amended herein, and recommends that it be recommitted to the Committee on Economic Revitalization, Business, & Military Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1242, H.D. 1.

Signed by all members of the Committee except Representative Evans.

**SCRep. 387            Consumer Protection & Commerce/Judiciary on H.B. No. 1061**

The purpose of this bill is to ensure reliable public utility services by authorizing the Public Utilities Commission (PUC) to appoint a receiver to take such temporary action as is necessary to assure continued water or sewer service in certain situations where PUC finds that a regulated private water or sewer utility is failing or in imminent threat of failing to provide adequate and reasonable service to customers.

This bill also provides an exemption from the Public Procurement Code for the services of the receiver and related outside counsel, consultants, and staff resources.

The Consumer Advocate and PUC testified in support of this bill.

Your Committees question the necessity of exempting receiver services from the Public Procurement Code, in light of existing emergency procurement provisions under section 103D-307, Hawaii Revised Statutes. This issue warrants further consideration as this bill moves forward.

Accordingly, your Committees have amended this measure by eliminating the Public Procurement Code exemption for the services of the receiver and related outside counsel, consultants, and staff resources. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1061, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 388 Consumer Protection & Commerce/Judiciary on H.B. No. 1072**

The purpose of this bill is to ensure the qualifications of those in the insurance industry by requiring insurance license applicants to provide fingerprints and pay a fee in connection with the Insurance Commissioner's (Commissioner) use of national and state criminal history records checks in making a determination of license eligibility.

The Department of Commerce and Consumer Affairs testified in support of this bill. The National Association of Insurance and Financial Advisors – Hawaii supported the intent of this measure. The American Council of Life Insurers provided comments.

Section 431:2-201.3, Hawaii Revised Statutes (HRS), prohibits a person who has been convicted of a felony from engaging in the business of insurance without the Commissioner's written consent. Similar provisions in section 431:9A-112(a), HRS, enumerate the causes for which the Commissioner may deny an insurance producer's license.

Although insurance license applicants are required to disclose their criminal history, there are times when applicants fail to make this disclosure. This bill strengthens the Commissioner's ability to identify applicants who fail to disclose their criminal history.

Your Committees have amended this measure by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1072, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1072, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 389 Consumer Protection & Commerce/Judiciary on H.B. No. 1074**

The purpose of this bill is to update the Insurance Code by, among other things:

- (1) Clarifying the allowable insurer investments in common stocks, common trust funds, mutual funds, and exchange traded funds;
- (2) Establishing a time limit for an insurer to claim the retaliatory tax credit;
- (3) Limiting the issuance of surplus lines broker licenses to licensed producers with certain insurance lines of authority;
- (4) Allowing a limited adjuster license for crop insurance claims;
- (5) Amending the continuing education credit hours required for insurance producer license renewals; and
- (6) Limiting eligibility for the assigned claims program to those with no applicable motor vehicle insurance.

The Department of Commerce and Consumer Affairs and Hawaii Independent Insurance Agents Association testified in support of this bill. The Hawaii Association for Justice opposed this measure. The American Council of Life Insurers, National Association of Insurance and Financial Advisors, and a concerned individual provided comments.

Your Committees have amended this bill by:

- (1) Amending the continuing education requirements for insurance producers to the following:
  - (A) For licenses to sell single lines of insurance, 24 total credit hours, consisting of 21 credit hours relating to the line of insurance and three credit hours relating to ethics training or insurance laws and rules; and
  - (B) For licenses to sell multiple lines of insurance, 24 total credit hours, consisting of three credit hours relating to ethics training or insurance laws and rules and the remaining credit hours relating to the lines of insurance;
- (2) Deleting the provision amending eligibility for the assigned claims program, as this issue is already being considered under H.B. No. 264, 2009;
- (3) Making printed form filings optional for insurance rate filings, in accordance with state plans to begin accepting electronic rate filings and payments for all lines of insurance using the National Association of Insurance Commissioners' System for Electronic Rate and Form Filing; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1074, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1074, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 390            Transportation on H.B. No. 865**

The purpose of this bill is to ensure close coordination between the State and counties when formulating the Department of Transportation's (DOT) Statewide Transportation Plan.

The Chair of the Maui County Council, Department of Transportation Services of the City and County of Honolulu, Department of Planning and Permitting of the City and County of Honolulu, and Hawaii Association of Realtors testified in support of this bill. DOT testified in opposition to this measure.

Coordination of highway and other roadway projects is critical to ensure that transportation projects are completed on a timely and efficient basis. Requiring the state to consider a county's transportation-related plans or general plan, along with other community development plans when developing a statewide plan will go a long way to enhancing this coordination.

Although your Committee understands that, as a general practice, DOT currently consults with county transportation officials and considers a county's transportation-related and general plans, this measure will ensure that this practice is carried on in the future.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 391            Transportation on H.B. No. 140**

The purpose of this bill is to enhance safety on sidewalks by authorizing the counties to regulate the use of electric personal assistive mobility devices on sidewalks.

The Policy Advisory Board for Elder Affairs, Segway, Inc., and the Waikiki Improvement Association testified in support of this bill.

Various areas of our state have sidewalks that are narrow and congested with residents and tourists alike. Allowing electric personal assistive mobility devices and other similar motorized devices to be operated on sidewalks with these congested walking conditions is a safety issue for pedestrians as well as the riders of these devices. While the operation of certain types of vehicles on sidewalks is already regulated in business districts, there may be other areas that need similar regulations. This measure allows the counties to make that determination and regulate the use of these vehicles on sidewalks as they deem necessary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 392            Transportation on H.B. No. 557**

The purpose of this bill is to increase the use of alternative means of transportation by including bicycles powered by an electric motor in the definition of "bicycle," thereby allowing the use of electric bicycles on Hawaii's streets, sidewalks, and multi-use paths.

The Representative of the 11<sup>th</sup> Representative District and several concerned individuals testified in support of this bill. The Department of Transportation supported this bill with amendments. The Department of Transportation Services of the City and County of Honolulu (DTS) testified in opposition to this measure.

Hawaii is very dependent on imported oil for its energy needs. Encouraging different modes of transportation that uses alternative energy can help to reduce oil dependence. Although bicycles are currently allowed to be operated on various types of pathways such as roads, trails, and sidewalks, bicycles powered by means other than human power, such as by an electric motor, are currently not allowed to be similarly operated. Allowing these types of vehicles may result in increased usage of this alternative means of transportation.

Your Committee understands the safety concerns raised by DTS as to the speed these vehicles may travel, especially on sidewalks and paths used by pedestrians. However, your Committee encourages further discussion on this issue as the bill makes its way through the legislative process.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 557 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 393            Transportation on H.B. No. 771**

The purpose of this bill is to enhance safety on sidewalks by authorizing the use of certain vehicles on sidewalks under certain conditions.

The Department of Transportation testified in support of this bill. The Department of Transportation Services of the City and County of Honolulu, Honolulu Police Department, and several concerned individuals testified in opposition to this measure.

Numerous areas of our state have sidewalks that are small and congested with residents and tourists alike. Allowing motorized vehicles, such as what is known as a yoscooter, to operate on these sidewalks could pose a danger to pedestrians using these same sidewalks. While your Committee understands that it may be necessary to operate some types of motorized devices, such as electric wheelchairs, on sidewalks, other types of scooters or motorized devices may need to be regulated. Although the use of certain types of vehicles on sidewalks is already regulated in business districts, there may be other areas that need similar regulations.

However, your Committee finds that regulations placed upon the use of sidewalks are better left to the counties.

Accordingly, your Committee has amended this measure by:

- (1) Providing counties with the authority to regulate yoscooters on sidewalks; and
- (2) Stipulating that the counties should determine an appropriate age for the operation of these devices if they are authorized for use on sidewalks.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 771, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 394            Transportation on H.B. No. 267**

The purpose of this bill is to simplify documentation requirements for rented vehicles using an inter-island ferry service by providing certain vehicle identification requirement exemptions for rental cars traveling on an inter-island ferry.

Catrala Hawaii, Alamo Rent A Car, Enterprise Rent A Car, National Car Rental, and Hawaii Superferry testified in support of this bill. Young Brothers, Limited supported the intent of this measure.

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, as well as a notarized letter from the registered owner or legal owner of the motor vehicle being shipped if the shipper is not the legal or registered owner of the vehicle. However, individuals using the services of an inter-island ferry are oftentimes tourists who rent vehicles and may not have access to this documentation. Thus, tourists find it difficult to use this alternative means of transportation between islands. Providing an exemption from certain vehicle identification requirements when traveling on an inter-island ferry would help alleviate this problem and deserves further consideration.

However, your Committee understands the concerns raised by Young Brothers, Limited, that if a vehicle becomes stranded on a neighbor island for any reason, the vehicle would need to be transported to its home island via a barge service as the current inter-island ferry provider's Public Utilities Commission certificate limits them to transporting vehicles only when accompanied by a driver. This would present a problem in that Young Brothers, Limited, personnel would likely have to track down registration, insurance, and other documents for the vehicle to be shipped back to its home island. Accordingly, your Committee has amended this measure by making the exemptions from identification requirements applicable to any water carrier authorized by the State of Hawaii Public Utilities Commission to transport vehicles interisland.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 267, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 395            Transportation/Labor & Public Employment on H.B. No. 1502**

The purpose of this bill is to reduce the impacts of traffic congestion on the environment, encourage a better quality of life for Hawaii's workers, and reduce Hawaii's dependence on fossil fuels by establishing a telework task force to develop a comprehensive plan to encourage and expand telework opportunities in Hawaii.

The Chamber of Commerce of Hawaii, ComTel, Leeward Oahu Transportation Management Association, and several concerned individuals testified in support of this bill. The Department of Human Resources Development submitted comments.

Telework is a concept that is growing across the nation. Today's technology allows people to perform the same functions they perform at work in their own homes using the internet and personal computers. Teleworking also provides a number of additional benefits including savings on transportation costs, reduced traffic congestion as less cars are needed to transport people to and from work, reductions in greenhouse gas emissions due to the reduction in car use, and a better quality of life as people spend more time at home with their families than on the road.

Although some businesses currently use the concept of telework in Hawaii, your Committees find that establishing a task force to determine methods to encourage and expand this concept is a step in the right direction.

As affirmed by the records of votes of the members of your Committees on Transportation and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1502 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 396            Housing/Water, Land, & Ocean Resources on H.B. No. 354**

The purpose of this bill is to ensure timely delivery of much-needed affordable housing by imposing a 60-day time limit on the counties to accept or reject the dedication of infrastructure that has been developed as part of an affordable housing project, when the infrastructure has been constructed to county building code standards.

The Hawaii Housing Finance and Development Corporation, The Chamber of Commerce of Hawaii, the Hawaii Developers' Council, the Building Industry Association of Hawaii, and Land Use Research Foundation of Hawaii testified in support of this bill. The Affordable Housing Regulatory Barriers Task Force supported this measure with amendments. Housing Hawaii provided comments.



Your Committees have amended this bill by:

- (1) Clarifying that dedicated infrastructure must meet the county building codes that are in effect at the time of construction;
- (2) Providing a definition for "third-party licensed building inspector;" and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 354, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 354, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Luke.

**SCRep. 397 Housing/Water, Land, & Ocean Resources on H.B. No. 363**

The purpose of this bill is to encourage an increase in the supply of affordable housing by:

- (1) Requiring the counties to provide fee waivers and other incentives for the development of affordable housing; and
- (2) Requiring the counties to provide flexibility in public facility requirements for rental housing projects with units set aside for tenants with incomes at or below the area median income, 40 percent of which units are set aside for tenants with incomes at or below 80 percent of the area median.

The Office of Hawaiian Affairs, Building Industry Association of Hawaii, Hawaii Developers' Council, The Chamber of Commerce of Hawaii, and Land Use Research Foundation of Hawaii submitted testimony in support of this measure. The Office of the Governor and the Hawaii Housing Finance and Development Corporation supported the intent of the bill. Kamehameha Schools testified in support of the bill with amendments. The State Procurement Office, Laborers' International Union of North America, Local 368, and Housing Hawaii submitted comments on this measure.

Your Committees have amended this bill by removing procurement exemptions as one of the suggested incentives.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 363, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 363, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Luke.

**SCRep. 398 Labor & Public Employment on H.B. No. 1279**

The purpose of this bill is to protect the health and welfare of injured workers by ensuring that injured employees receive uninterrupted medical care, even when disputes arise over whether treatment should be continued.

The ILWU Local 142 testified in support of this bill. The Hawaii Medical Association, Hawaii Chapter-American Physical Therapy Association, Hawaii State Chiropractic Association, and a concerned individual supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR), Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Hawaii Insurers Council, National Federation of Independent Businesses, Property Casualty Insurers Association of America, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, American Insurance Association, Hawaii Independent Insurance Agents Association, Hawaiian Airlines, Maui Chamber of Commerce, Retail Merchants of Hawaii, and General Contractors Association of Hawaii testified in opposition to this bill.

The workers' compensation law was established as a "no-fault" law designed to be a "win-win" situation for all the parties involved - with a worker returning to work and the employer regaining a productive employee. However, at times this system has proven to be more adversarial in nature than was envisioned.

Although obtaining proper medical treatment is the best method to return an injured employee to gainful employment in a timely and efficient manner, medical treatments are often a point of contention between the employee and employer. Your Committee finds that continuing medical treatments for an injured employee, until a decision is rendered by the Director of DLIR on the appropriateness of the treatment, is in the best interest of both the employee and employer.

However, your Committee recognizes that employees may receive unnecessary treatments at a cost to an employer or insurer prior to the Director rendering a decision. Nevertheless, your Committee finds that this is a matter that can be worked on as this bill makes its way through the legislative process and that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1279 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 399 Public Safety on H.B. No. 334**

The purpose of this bill is to require the Department of Public Safety (PSD) to determine the number of women inmates who are eligible for reintegration into the community and contract with gender-responsive community service providers to assist women in successfully transitioning to the community. An unspecified sum is appropriated for this purpose.

The American Civil Liberties Union of Hawaii, Hawaii Substance Abuse Coalition, Hepatitis Network's Prisoner Reintegration Program, Drug Policy Forum of Hawaii, Goodwill Industries of Hawaii, Inc., and several concerned individuals testified in support of this bill. PSD offered comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 334 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 400            Public Safety on H.B. No. 386**

The purpose of this bill is to establish and appropriate funds for an earned-time program that allows inmates to reduce their minimum term upon demonstrating successful progress toward the completion of rehabilitative programs.

The American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, the Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this bill. The Department of Public Safety, Hawaii Paroling Authority, and Department of the Prosecuting Attorney for the City and County of Honolulu opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 386 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 401            Public Safety on H.B. No. 413**

The purpose of this bill is to help treat and reintegrate nonviolent offenders with drug-related convictions into society.

This bill establishes the Residential Drug Abuse Program (Program) based on the community transitional phase of the federal residential drug abuse program. Under this Program, offenders completing the in-facility phase of a residential drug abuse program can qualify for a voluntary, six-month, in-community program. Those successfully completing the program will have their minimum sentence reduced by up to one year.

This bill also expands the number of transition beds in module 19 at the Oahu Community Correctional Center.

The American Civil Liberties Union of Hawaii, the Hawaii Substance Abuse Coalition, the Drug Policy Forum of Hawaii, the Community Alliance on Prisons, and several concerned individuals submitted testimony in support of this bill. The Department of Public Safety opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 413 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 402            Public Safety on H.B. No. 414**

The purpose of this bill is to require the Department of Public Safety to establish:

- (1) Performance measures to be incorporated in reports that evaluate program outcomes and progress toward specific goals, as required by the Community Safety Act of 2007; and
- (2) Performance indicators to be incorporated in monthly performance reports to the Legislature.

The Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and several concerned individuals testified in support of this measure. The Hawaii Paroling Authority and Department of Public Safety opposed this bill.

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

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 403            Public Safety on H.B. No. 845**

The purpose of this bill is to appropriate \$6,000,000 as a grant-in-aid to the County of Hawaii for the Hawaiian Ocean View Community Center and Disaster Shelter in Kau on the island of Hawaii.

The County of Hawaii and Hawaii Police Department testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 845 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 404            Public Safety on H.B. No. 226**

The purpose of this bill is to clarify the provisions of the State's medical use of marijuana law and remove serious obstacles to the patient access and physician participation contemplated by the Legislature when the law was initially enacted by, among other things:

- (1) Increasing the maximum amount of marijuana permitted per patient or caregiver;
- (2) Specifying that the Department of Public Safety (DPS) may not require the qualifying patient's physician to be the patient's primary care physician;

- (3) Requiring that the location of where the marijuana is being grown be kept confidential and omitted from the registry card issued by DPS;
- (4) Requiring information on written certifications to include the physician's attestation that the patient has a qualifying debilitating medical condition without naming or describing the condition;
- (5) Clarifying that in its issuance of the registration certificate to the patient, DPS may charge a fee not to exceed \$25 per year;
- (6) Increasing the number of qualifying patients that each caregiver can be responsible for; and
- (7) Specifying that DPS forms may not require more information than is required by the medical use of marijuana law.

The American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, Americans for Safe Access, Big Island Chapter, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. DPS, Honolulu Police Department, County of Maui Department of the Prosecuting Attorney, County of Maui Police Department, County of Hawaii Police Department, Save Our Society From Drugs, and a concerned individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 226 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 405            Public Safety on H.B. No. 421**

The purpose of this bill is to repeal the "Three Strikes Law," also known as Act 81, Session Laws of Hawaii 2006.

The Office of the Public Defender, the American Civil Liberties Union of Hawaii, the Drug Policy Forum of Hawaii, the Community Alliance on Prisons, and several concerned individuals testified in support of this bill. The Department of the Prosecuting Attorney for the City and County of Honolulu and Department of the Prosecuting Attorney for the County of Maui opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 421 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 406            Economic Revitalization, Business, & Military Affairs on H.B. No. 558**

The purpose of this bill is to remove delays in the procurement process caused by frivolous protests by requiring the protester of a solicitation or contract award, whose protest is not sustained, to reimburse the Chief Procurement Officer for expenses incurred in connection with administrative or judicial review of the protest.

The Department of Transportation and a concerned individual supported this bill. The State Procurement Office supported the intent of this measure. The Department of Accounting and General Services opposed the bill.

Your Committee believes that further consideration of the ideas in this and similar bills is needed to allow the State to prepare to receive and efficiently use anticipated federal economic stimulus monies.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 558 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 407            Economic Revitalization, Business, & Military Affairs on H.B. No. 1470**

The purpose of this bill is to make it easier to use federal funds for state projects by allowing government agencies to contract with an offeror without complying with the bid, request for proposals, and professional services procedures of the procurement code when:

- (1) The procurement is funded by state and federal matching funds; and
- (2) The offeror is a United States General Services Administration-approved sole source vendor and is responsible for obtaining the federal funds.

Hawaiya Technologies, Inc., testified in support of this measure.

Your Committee heard testimony that Hawaii has been upgraded by the federal government from a "level 3" port to a "level 2" port, essentially making more federal dollars available for homeland security to shipping and other companies based at our ports. However, there was also testimony that the Hawaii State Procurement Code makes it difficult for Hawaii to take advantage of these otherwise readily available federal dollars, by impeding government agencies from entering into contracts with offerors who have already been approved by the United States General Services Administration to receive federal matching funds as a sole source vendor.

Your Committee believes this measure raises issues of extreme importance to the State. Prompt action is needed to remove impediments to the receipt of available federal funds, particularly in light of Hawaii's need to increase revenue sources and stimulate the economy.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1470 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 408 Economic Revitalization, Business, & Military Affairs on H.B. No. 961**

The purpose of this bill is to increase executive agency compliance with the Hawaii State Procurement Code (Procurement Code), by:

- (1) Requiring the State Procurement Policy Board (Board) to conduct an annual compliance audit of at least two executive agencies; and
- (2) Making the comptroller a non-voting member of the Board.

The Iron Workers Stabilization Fund supported this bill. The State Procurement Office and Department of Accounting and General Services opposed this bill.

Your Committee heard concerns that this bill without reason singles out the Executive Branch agencies, when there are 19 other procurement officer jurisdictions under the Procurement Code. To facilitate the objective of ensuring compliance with the Procurement Code and increase the fairness of this measure, your Committee has amended this bill to require a minimum of five annual audits of any department, division, or agency.

In addition, to encourage further discussion, the effective date has been changed to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 961, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 409 Economic Revitalization, Business, & Military Affairs on H.B. No. 1758**

The purpose of this bill is to make it easier to use federal funds for state projects by allowing government agencies to contract with an offeror without complying with the bid, request for proposals, and professional services procedures of the procurement code when the procurement is:

- (1) Funded by state and federal matching funds; and
- (2) The offeror is a United States General Services Administration-approved (GSA-approved) vendor.

The State Procurement Office opposed this bill.

Although facilitating access to federal funding would serve Hawaii's need to find additional revenue streams, your Committee also recognizes that most GSA-approved vendors are out-of-state businesses, and that there are concerns about the negative impact this bill might have on Hawaii's small businesses. Your Committee believes that dialogue must continue on the issues raised by this bill and has amended it by:

- (1) Allowing, rather than requiring, GSA-approved vendors on contracts funded by state and federal matching funds to be exempted from procurement bid, request for proposals, and professional services procedures; and
- (2) Changing the effective date of the bill to July 1, 2112, to encourage further discussion.

A technical, nonsubstantive amendment was made for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 410 Economic Revitalization, Business, & Military Affairs on H.B. No. 1768**

The purpose of this bill is to clarify the dollar amount at which bid security is required for solicitations of construction contracts awarded under the bid or request for proposals processes.

The State Procurement Office supported this bill. Hawaii Surety Association commented.

Your Committee heard testimony that small purchases from \$25,000 to \$50,000 in value must be placed on the State's electronic procurement system, providing more transparency to the small purchase process.

Your Committee has amended this bill as suggested by the State Procurement Office, to specify that bid security is required for construction contracts that exceed the limit set by section 103D-305, Hawaii Revised Statutes, which currently sets the limit for small purchases at \$50,000.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1768, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 411 Economic Revitalization, Business, & Military Affairs on H.B. No. 560**

The purpose of this bill is to establish a dedicated source of funding for medical services programs for veterans who served in the Hawaii National Guard by:

- (1) Placing a Veterans' Services Tax on wine, beer, and distilled spirits; and
- (2) Directing revenues from this tax to a newly established Veterans' Services Special Fund, to be used to provide medical support services for Hawaii's National Guard members and to be administered by the Office of Veterans' Services (OVS).

The Department of Taxation and Department of Budget and Finance opposed this bill. OVS and Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by removing references to medical services and providing that OVS use Veterans' Services Tax revenues for OVS positions and programs. Technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 560, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 560, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 412 Economic Revitalization, Business, & Military Affairs on H.B. No. 1405**

The purpose of this bill is to maximize the State's ability to capture taxes owed by out-of-state businesses by specifying the businesses activities that would constitute a sufficient connection with Hawaii to allow the State to tax those activities.

The Department of Taxation and a concerned individual supported this bill. Tax Foundation of Hawaii submitted comments. Hawaii Association of REALTORS® (HAR) opposed the measure.

HAR voiced the concern that the bill might affect existing sourcing and apportionment rules for commissions earned by real estate brokers and salespersons. Accordingly, your Committee has amended this bill as suggested by HAR, by removing the reference to services, and limiting the bill to sales of tangible personal property. Technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1405, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 413 Economic Revitalization, Business, & Military Affairs on H.B. No. 699**

The purpose of this bill is to encourage investment into businesses that perform research that benefits children and the elderly with acute health problems, rural health care, and disease prevention, by establishing a tax credit of ten percent of costs related to this research.

The Department of Taxation (DoTax) opposed this bill. The Tax Foundation of Hawaii commented on this measure.

Your Committee appreciates DoTax's concerns regarding the lack of parameters for the costs that qualify for the credit under this bill. However, the areas of medical research targeted by this credit are in growing sectors of our economy, and that growth should be nurtured and encouraged by the State. Accordingly, to allow further discussion and refinement of this bill, your Committee has changed its effective date to July 1, 2112. A technical, nonsubstantive amendment has also been made for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 699, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 699, H.D. 2.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 414 Economic Revitalization, Business, & Military Affairs on H.B. No. 1419**

The purpose of this bill is to ensure that funerals, memorial services, and ceremonies held at veterans' cemeteries are not disturbed or disrupted.

This bill:

- (1) Requires the counties to approve demonstrations involving picketing or other related activities held at these cemeteries;
- (2) Establishes time and location restrictions on demonstrations held at veterans' cemeteries; and
- (3) Provides that individuals who violate the new law have committed a petty misdemeanor.

The Office of Veterans Services (OVS) supported this bill.

Your Committee understands that only one cemetery located in Kaneohe, Oahu, is under the direct control of OVS, while there are seven other veterans cemeteries on other islands. To allow this bill to apply to veterans cemeteries located throughout the islands, your Committee has amended this bill by making its restrictions applicable to cemeteries that have received funding through the Office of Veterans Services. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1419, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 415 Economic Revitalization, Business, & Military Affairs on H.B. No. 1443**

The purpose of this bill is to support small business activity by allowing owner-occupants of a home to engage in home occupations that do not have serious negative impacts on the surrounding residential area.

Several concerned individuals submitted testimony in support of this bill. The Maui Chamber of Commerce supported the intent of this measure.

Layoffs and the lack of jobs in Hawaii's economy are forcing residents to look for alternatives to traditional forms of employment. At the same time, the Internet has opened up opportunities for people to work out of their homes. Your Committee finds that supporting home occupations that do not have serious negative impacts on the neighborhood is a timely and needed measure during these difficult economic times.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1443, H.D. 1, and be referred to the Committees on Housing and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 416 Economic Revitalization, Business, & Military Affairs on H.B. No. 549**

The purpose of this bill is to update and improve provisions of the High Technology Development Corporation (HTDC) law that control how HTDC grants matching funds to Hawaii companies that are awarded federal, phase I Small Business Innovation Research and Small Business Technology Transfer awards. The amendments:

- (1) Increase the cap on matching grants from \$25,000 to \$50,000 because federal award maximums have increased from \$50,000, to \$100,000; and
- (2) Provide that HTDC has the discretion rather than the duty to request a loan from the Hawaii Capital Loan Revolving Fund if the budget is inadequate to satisfy all qualified grant requests.

The Department of Business, Economic Development, and Tourism and HTDC supported this bill.

Your Committee has amended this bill by removing provisions referencing the Hawaii Capitol Loan Revolving Fund, which was repealed when Act 178, Session Laws of Hawaii 2003, repealed section 210-3, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 549, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 417 Economic Revitalization, Business, & Military Affairs on H.B. No. 1012**

The purpose of this bill is to allow state agencies to reduce procurement costs by establishing a Shared Services Technology Special Fund to coordinate the acquisition of information technology systems, hardware, software, and related services, to allow the state to benefit from the resulting economies of scale in purchasing, and decreased administrative paperwork and processing time.

The Department of Education, Department of Transportation, and Department of Accounting and General Services supported this bill.

Your Committee finds that this bill addresses various inefficiencies in the State's management of its information technology resources, and was developed by the Information Technology Governance Committee, which includes members from all Executive Branch Cabinet departments. This bill allows these departments to coordinate their information technology strategies.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 418 Economic Revitalization, Business, & Military Affairs on H.B. No. 1207**

The purpose of this bill is to make technical and housekeeping revisions to update Chapter 210D, Hawaii Revised Statutes, which establishes the Hawaii Community-Based Economic Development Program (CBED), by, among other things:

- (1) Allowing CBED's revolving fund to access funding other than from general funds;
- (2) Allowing CBED to make smaller loans due to the reduced funds available and reducing the maximum interest rate of those loans from ten percent to six percent; and
- (3) Clarifying the definition of "community interest" to mean a group of people who may not live in the same area, but are bound together through common economic interest.

The Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, the Hawaii Alliance of Nonprofit Organizations, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 419 Economic Revitalization, Business, & Military Affairs on H.B. No. 1586**

The purpose of this bill is to maximize the State's ability to capture tax revenues by establishing a minimum standard, consistent with the latest developments in state and local tax laws, by which the Department of Taxation would determine whether an out-of-state business would be subject to Hawaii taxes.

The Department of Taxation and Hawaii Government Employees Association supported this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii and a concerned individual commented.

Your Committee heard testimony that this bill expands the boundaries of the State's taxing authority consistent with recent Supreme Court decisions of other states, and thereby allows the State to capture more tax revenue from out-of-state businesses if those decisions continue to stand.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1586 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 420 Water, Land, & Ocean Resources on H.B. No. 1310**

The purpose of this bill is to repeal:

- (1) The prohibition on the commercial operation of thrill craft, water sledding, parasailing, and high-speed boating in Maunalua Bay, Oahu, on weekends and holidays;
- (2) The prohibition on all commercial ocean recreation activities in Maunalua Bay on Sundays;
- (3) The requirement that permits for commercial operators of thrill craft and parasailing activities be issued at public auction; and
- (4) The maximum term limit for commercial thrill craft and parasailing activity permits of 20 years.

The Ocean Tourism Coalition and numerous concerned individuals testified in support of this bill. A concerned individual opposed this measure. The Department of Land and Natural Resources and the University of Hawaii at Manoa-Environmental Center provided comments.

Your Committee has amended this bill by:

- (1) Repealing the prohibition on the commercial operation of thrill craft, water sledding, parasailing, and high-speed boating in Maunalua Bay for Saturdays only, instead of for all weekends and holidays;
- (2) Reinstating the prohibition on all commercial ocean recreation activities in Maunalua Bay on Sundays;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1310, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Luke and Ching.

**SCRep. 421 Water, Land, & Ocean Resources on H.B. No. 1145**

The purpose of this bill is to:

- (1) Repeal the requirement that no remnant be sold by the State to any abutting owner unless the remnant, when combined or consolidated with the abutting property, constitutes a lot acceptable to the appropriate agency of the county;
- (2) Repeal the requirement that appropriate language be included in a remnant conveyance document to ensure compliance with applicable county ordinances; and
- (3) Authorize the proceeds from the sales of remnants to be deposited into the Land Conservation Fund.

The Department of Land and Natural Resources testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1145 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 422 Water, Land, & Ocean Resources on H.B. No. 593**

The purpose of this bill is to direct the Board of Land and Natural Resources to adopt rules for determining the shoreline setback area and the mauka extent of the conservation district for Kailua Beach.

The Department of Land and Natural Resources (DLNR); Beach Access Hawaii; The Free Ocean Project; the Kailua Neighborhood Board; Sierra Club, Hawaii Chapter; the Surfrider Foundation; and several concerned individuals testified in support of this bill. The Department of Business, Economic Development, & Tourism offered testimony in support of this measure with amendments. The Office of Hawaiian Affairs opposed this bill.

Your Committee has amended this bill by granting DLNR a two-year period in which to establish a two-year interim coastal construction moratorium along Kailua Beach to:

- (1) Protect development from coastal hazards;
- (2) Conserve and protect the beach;
- (3) Preserve recreational uses; or
- (4) Minimize future impact to the coastal ecosystem.

DLNR's authority to establish the moratorium sunsets after two years. Any moratorium in effect at the sunset date, however, will remain in effect until it expires.

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

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

**SCRep. 423 Water, Land, & Ocean Resources on H.B. No. 1552**

The purpose of this bill is to ensure that Kahana Valley State Living Park, one of the last remaining intact ahupuaa on the island of Oahu, is properly protected and managed, by:

- (1) Authorizing the Department of Land and Natural Resources (DLNR) to issue long-term residential leases to qualified persons who currently reside within and contribute to a living park; and
- (2) Establishing a Kahana Planning Council to develop a master plan for the Kahana Valley State Living Park that will provide for rules and procedures, measurements for success, and other requirements.

The Office of Hawaiian Affairs, Koolauloa Hawaiian Civic Club, Oahu Council of the Association of Hawaiian Civic Clubs, Native Hawaiian Legal Corporation, and numerous concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure. Several concerned individuals opposed this bill. DLNR, the Attorney General (AG), and several concerned individuals provided comments.

The AG expressed concerns that this bill may violate the constitutional prohibition against special legislation. Accordingly, to broaden the scope of this bill, your Committee has amended this bill by making it a law of general applicability. Specifically, this bill has been redrafted to provide that the bill applies to all state living parks and that a Living Park Planning Council be established for each state living park.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1552, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Herkes and C. Lee.

**SCRep. 424 Water, Land, & Ocean Resources on H.B. No. 1712**

The purpose of this bill is to ensure that rules regarding the taking and protection of uhu, weke/moana kali, and ulua/papio are based on supporting data, not solely input from public informational briefings, by requiring the Department of Land and Natural Resources (DLNR) to:

- (1) Provide supporting data, including stock assessments, as the basis for any new rules to regulate the taking of uhu, weke/moana kali, and ulua/papio, in addition to the input DLNR receives from the public at informational meetings; and
- (2) Provide a monitoring and evaluation component to determine the effect of the rules adopted on the uhu, weke/moana kali, and ulua/papio fish populations.

Hawaii Nearshore Fishermen and several concerned individuals testified in support of this bill. DLNR, The Nature Conservancy of Hawaii, and the Ocean Law & Policy Institute opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Deleting the requirement for DLNR to provide biennial public information meetings to provide updates on the effects of the take rules, and to advise the public if changes to these rules are required, whenever collected data indicate the need for further protection or that stocks have recovered sufficiently;
- (2) Deleting the requirement for DLNR to conduct an ongoing study on:
  - (a) Whether the take rules are achieving their intended purposes;
  - (b) The periods that the rules are expected to take to meet their intended purposes;



- (c) The impact the rules will have on the resources, public, and user groups; and
- (d) An accounting of the public input and data used to support the basis for the rules;
- (3) Deleting the requirement that DLNR periodically report to the Legislature on its findings and recommendations; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee stresses that when regulating marine life, DLNR should not base their rules solely on information gathered at public information meetings, but on all information available, including affirmatively obtaining data supporting the finding that take rules are necessary.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.  
(Representatives C. Lee, Morita and Thielen voted no.)

**SCRep. 425 Water, Land, & Ocean Resources on H.B. No. 1604**

The purpose of this bill is to establish a tax on the value of improvements, surrendered by a lessee to a lessor, without compensation to the lessee, at the expiration of a long-term lease of non-residential real property.

A concerned individual testified in support of this bill. Kamehameha Schools opposed this measure. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1604 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

**SCRep. 426 Water, Land, & Ocean Resources on H.B. No. 1693**

The purpose of this bill is to require the Office of Planning to review the City and County of Honolulu's revised Ewa Development Plan to ensure the infrastructural needs of the rapidly developing area are adequately met.

The Representative from the 42nd District and Friends of Makakilo testified in support of this bill. The Office of Planning opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1693 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 427 Water, Land, & Ocean Resources/Agriculture on H.B. No. 241**

The purpose of this bill is to authorize each of the soil and water conservation districts to keep revenues generated within their respective districts to carry out functions of the district.

The Hawaii Association of Conservation Districts, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources provided comments.

Your Committees find that the carrying over of unencumbered appropriations from the general fund may raise a constitutional problem. Accordingly, your Committees have amended this bill by limiting to non-general funds, such as donations and grants, the funds that may be carried over to the next fiscal year to carry out the functions of the districts.

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 241, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 241, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 428 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1436**

The purpose of this bill is to allow the use of lands within the agricultural district for educational facilities and agricultural appurtenances for the cultivation of crops, propagation of game and fish, and raising of livestock.

Hawaii Agricultural Research Center, Kamehameha Schools, and Ipu Lani, Inc., testified in support of this bill. The Sierra Club-Hawaii Chapter opposed this measure. The Department of Agriculture, Office of Planning, and Department of Planning and Permitting of the City and County of Honolulu provided comments.

Your Committees have amended this bill by:

- (1) Providing a definition for "appurtenances," as used in the amended paragraph; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees find that educational facilities that have been permitted on agricultural lands in the past have used the special permit process, which allows the county planning commission to review the planned use. To prevent any abuses of including educational facilities as a permissible use in the agricultural district, "educational facilities" should be defined to clarify that larger schools are still subject to the special permit process, and that the provision applies only to those educational facilities that are appurtenant to agricultural operations. Accordingly, your Committees respectfully request the Committee on Education to formulate an appropriate definition for "educational facility," to further this intent.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1436, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1436, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 429            Housing on H.B. No. 828**

The purpose of this bill is to require state, county, and federal low-income housing projects to remain affordable in perpetuity.

The Office of Hawaiian Affairs and Affordable Housing and Homeless Alliance submitted testimony in support of this bill. The Hawaii Public Housing Authority opposed this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 828 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 430            Housing on H.B. No. 1221**

The purpose of this bill is to appropriate \$50,000,000 in general obligation bond funds for affordable housing projects, with authority to use the funds to match federal funds appropriated for capital improvement projects under federal fiscal stimulus legislation.

The Office of Hawaiian Affairs, Department of Community Services for the City and County of Honolulu, Hawaii Family Forum, and Roman Catholic Church in the State of Hawaii submitted testimony in support of this bill. The Hawaii Public Housing Authority opposed this measure. Comments were received from the Hawaii Housing Finance and Development Corporation.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 431            Housing on H.B. No. 202**

The purpose of this bill is to protect the rights of a tenant of rental property by requiring 120-day notice of mortgage foreclosure to the tenant under a month-to-month tenancy by a successor-in-interest prior to the termination of the rental agreement and commencement of summary possession proceedings.

The Hawaii Association of REALTORS supported the intent of this bill. The Legal Aid Society of Hawaii supported this measure with amendments. The Hawaii Bankers Association opposed this bill. The Hawaii Financial Services Association provided comments.

The intent of your Committee is to address the rights of tenants in foreclosure cases while balancing the interests of all stakeholders. Accordingly, your Committee has amended this bill by:

- (1) Setting forth the acceptable methods of delivery of notice to the tenant or subtenant that a rental housing unit is in foreclosure;
- (2) Reducing the time period for notice from 120 to 45 days;
- (3) Changing the definition of "successor-in-interest" from a fee simple owner or owners of the property whose interest was acquired through foreclosure, to a person who acquired an interest in the property through foreclosure;
- (4) Providing that for power of sale foreclosures, the tenant is to be given notice 15 days before the actual sale of the mortgaged property;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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

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

**SCRep. 432            Housing on H.B. No. 1591**

The purpose of this bill is to:

- (1) Make the restrictions on the resale of an affordable housing unit apply in perpetuity; and
- (2) Require that the unit be sold to a qualified resident instead of back to the Hawaii Housing Finance and Development Corporation (HHFDC).

The HHFDC and Kamehameha Schools submitted testimony in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1591 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 433 Consumer Protection & Commerce/Judiciary on H.B. No. 1438**

The purpose of this bill is to protect homebuyers by replacing the Mortgage Brokers and Solicitors Law under Chapter 454, Hawaii Revised Statutes, with a new law regulating mortgage loan originators.

The Office of Hawaiian Affairs and Hawaii Bankers Association testified in support of this bill. The Legal Aid Society of Hawaii supported the intent of this measure. The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Financial Services Association opposed this bill. State Farm Insurance Companies and the Hawaii Association of Mortgage Brokers provided comments.

While this bill is the latest attempt in the last several years to reform mortgage broker regulation, there are additional considerations this time around. The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) was passed in July 2008, establishing a uniform licensing and registration system for all mortgage loan originators, including mortgage brokers and loan officers. If a state does not implement laws consistent with the SAFE Act by federally established deadlines, the federal Department of Housing and Urban Development will provide the regulatory system.

In light of these circumstances and the prospect of ceding regulatory authority over mortgage brokers to federal control, your Committees continue to carefully consider the merits of this bill.

Accordingly, your Committees have amended this bill by changing its effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1438, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1438, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 434 Consumer Protection & Commerce/Judiciary on H.B. No. 1051**

The purpose of this bill is to address deficiencies in Hawaii's energy emergency preparedness by:

- (1) Statutorily establishing the state energy emergency preparedness program's coverage of all forms of energy emergencies;
- (2) Redefining the types of information energy companies must submit to the State for energy emergency preparedness purposes;
- (3) Authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to compile and analyze information, including confidential information, to effectuate the State's role and responsibilities in energy emergency planning and preparedness, mitigation, response, and recovery; and
- (4) Requiring DBEDT to comply with confidentiality requirements for information obtained for energy emergency preparedness purposes.

The Department of Defense and DBEDT testified in support of this bill. The Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and Western States Petroleum Association opposed this measure. The Office of Information Practices provided comments.

Your Committees have amended this bill by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1051, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1051, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Luke, McKelvey, B. Oshiro, Souki and Thielen.

**SCRep. 435 Judiciary on H.B. No. 358**

The purpose of the bill is to authorize placement of certain drug offenders in secure drug treatment facilities.

Your Committee received testimony in support of the measure from the American Civil Liberties Union of Hawaii and a concerned individual. A concerned individual supported the intent of this measure.

Your Committee recognizes that this measure is intended to promote rehabilitation of convicted offenders through alternatives to incarceration. However, your Committee notes that drug treatment placements have fiscal implications that require thorough scrutiny.

Your Committee has amended this measure by changing its effective date to January 1, 2046, to continue discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 358, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 358, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 436            Judiciary on H.B. No. 1094**

The purpose of this bill is to amend the Child Protective Act by, among other things:

- (1) Adding provisions related to permanency hearings to determine permanent placement of a child; and
- (2) Allowing the court to set a case for a show cause hearing if a child's family home is determined not to be safe, even with the assistance of a service plan.

The Department of Human Services testified in support of this bill. The Judiciary opposed this measure.

Your Committee understands that the substance of this measure is necessary to receive federal funds under Title IV-E but notes that the Judiciary has raised serious concerns regarding its practicability. Furthermore, your Committee notes that the proposed new section to Chapter 587, Hawaii Revised Statutes, as currently drafted does not adequately reference other sections of that chapter relating to permanent plans and permanent plan hearings.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1094, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1094, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.

**SCRep. 437            Judiciary on H.B. No. 1174**

The purpose of this bill is to enable the University of Hawaii (UH) to better carry out its management obligations regarding activities and uses that take place on the Mauna Kea lands that it leases or over which it acquires control or jurisdiction.

This bill eliminates any ambiguity and uncertainty regarding UH's rule making authority by granting express authority for UH to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes (HRS), relating to public activities that take place on the Mauna Kea lands. This bill also:

- (1) Authorizes the UH Board of Regents to establish rents, fees, and charges relating to the lease or use of UH property as well as administrative fines for violations of any administrative rules; and
- (2) Establishes the Mauna Kea Management Special Fund for the deposit and use of these revenues.

UH testified in support of this bill. The Association of Hawaiian Civic Clubs supported this measure with amendments. KAHEA, Na Koa Ikaika o Ka Lahui Hawaii, Mauna Kea Anaina Hou, Sierra Club - Hawaii Island Chapter, Temple of Lono, Life of the Land, and numerous concerned individuals opposed this bill.

Your Committee recognizes that this bill raises important issues regarding UH's role with respect to the use and regulation of activities that take place on Mauna Kea.

Members were also concerned that not all rules allowed under this bill require compliance with the administrative rulemaking authority under Chapter 91, HRS.

Your Committee has amended this bill by:

- (1) Deleting the amounts of the administrative fines for violation of rules relating to Mauna Kea lands;
- (2) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1174, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1174, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.  
(Representative Thielen voted no.)

**SCRep. 438            Judiciary on H.B. No. 37**

The purpose of this bill is to propose a constitutional amendment to Article VII, Section 6, of the Hawaii Constitution, to repeal the requirement that a tax refund or tax credit be provided to taxpayers whenever the general fund balance at the close of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years.

The Department of Budget and Finance and Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee notes that many possible mechanisms must be examined by the Legislature to address the efficiency of financing state government. These include the mechanism specified in this measure as well as other measures currently before the Legislature that propose to deposit excess funds into the emergency and budget reserve fund. Your Committee respectfully requests that the Committee on Finance take these measures into consideration.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 37 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.  
(Representative Thielen voted no.)

**SCRep. 439            Judiciary on H.B. No. 268**

The purpose of this bill is to improve the accuracy of real property tax assessments by requiring the assistant registrar of the Land Court to provide the administrator of the real property assessment division of the City and County of Honolulu an image and index of all instruments, writs, and other process that have been recorded in the assistant registrar's office relating to registered land in all the counties.

The City and County of Honolulu Real Property Assessment Division, County of Hawaii Department of Finance, County of Kauai Department of Finance, and County of Maui Real Property Tax Division supported this bill. The Department of Land and Natural Resources (DLNR) opposed this bill.

Your Committee understands that the real property assessment offices of each county are currently engaged in discussions with DLNR that are focused on resolving issues related to the direct and timely transfer of the information identified in this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion on this matter; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 268, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.  
(Representative Thielen voted no.)

**SCRep. 440            Human Services on H.B. No. 275**

The purpose of this bill is to mandate certain family members to report child abuse and neglect to the Department of Human Services (DHS) or the police department, while making an exception for victims of domestic violence by the same perpetrator.

DHS testified in support of this bill. The Hawaii State Coalition Against Domestic Violence supports the intent of this measure. The Domestic Violence Action Center provided comments.

Members of your Committee raised concerns regarding which family members are subject to this mandate.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 275 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 441            Human Services on H.B. No. 1098**

The purpose of this bill is to provide the maximum amount of assistance to people in recovery or transition periods in a fiscally responsible manner by placing a 12-month limit on general assistance to households without minor dependents, and to stipulate that assistance received pending an eligibility determination for the federal Supplemental Security Income Program or successor program is not counted toward the 12-month limit.

The Department of Human Services (DHS) testified in support of this bill. The Legal Aid Society of Hawaii (LASH), National Association of Social Workers and a concerned individual supported this measure with amendments. Several concerned individuals testified in opposition to this bill.

Your Committee emphasizes that DHS, LASH, and members of the Financial Assistance Advisory Committee have agreed to work together on this issue to craft language for proposed legislation that takes into account both the needs of those receiving assistance and the fiscal responsibilities of the State.

Upon reflection, your Committee has amended this bill by:

- (1) Extending the time limit from 12 months to 24 months;
- (2) Retaining the annual reevaluation to maintain disability certification;
- (3) Requiring DHS to refer an individual for eligibility under the Aged, Blind, and Permanently and Totally Disabled Program after 12 months or upon turning 65; and
- (4) Adding provisions that convert General Assistance into an entitlement program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1098, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1098, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 442 Human Services/Health on H.B. No. 706**

The purpose of this bill is to provide more equitable Medicaid reimbursements for patients waitlisted for long-term care by:

- (1) Establishing guidelines for Medicaid reimbursement to acute care hospitals and long-term care facilities based on the patient's condition; and
- (2) Appropriating \$6,200,000 to cover the increased Medicaid reimbursement costs.

The Chamber of Commerce of Hawaii, Hawaii Long Term Care Association, Kaiser Permanente, Healthcare Association of Hawaii, Hawaii Disability Rights Center, and a concerned individual testified in support of this bill. The Department of Human Services testified in opposition to this measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 706 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 443 Human Services/Health on H.B. No. 824**

The purpose of this bill is to require Medicaid and QUEST to cover chiropractic care with a limit of 24 visits per calendar year, and to direct the Department of Human Service (DHS) to amend the state Medicaid plan accordingly to allow the state to receive federal reimbursement. This bill makes an appropriation for these purposes.

DHS testified in opposition to this measure.

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 824, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 824, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 444 Human Services/Health on H.B. No. 1065**

The purpose of this bill is to appropriate \$15,000,000 from the Emergency and Budget Reserve Fund, in lieu of general funds, for the Department of Human Services (DHS) Health Care Payments Program (HMS401) for fiscal year 2009-2010.

The Department of Budget and Finance and DHS offered comments.

Your Committees note that as of February 12, 2009, the Legislature has not yet received the Administration's budget requests and itemized priorities that take into account the Council of Revenues' recent projections. The Legislature needs detailed guidance from DHS and the Department of Health on fiscal issues before it authorizes the use of funds.

Accordingly, your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1065, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 445 Human Services/Health on H.B. No. 1454**

The purpose of this bill is to require the Department of Human Services (DHS) to include various provisions in its request for proposals for QUEST providers to safeguard against a disruption of services that may be caused by positive enrollment.

The Hawaii Primary Care Association testified in support of this bill. AlohaCare supported the intent of this measure. DHS testified in opposition to this bill.

Upon further consideration, your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1454, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1454, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 446 Human Services/Hawaiian Affairs on H.B. No. 798**

The purpose of this bill is to require the Department of Human Services (DHS) to recognize and respect Hawaiian culture and the system of hanai when adopting rules relating to foster care licensing processes.

Kokua Ohana and a concerned individual testified in support of this bill. DHS supported the intent of this measure. The Partners in Development Foundation testified in opposition to this bill.

Your Committees have amended this bill by:

- (1) Allowing DHS to consider, rather than requiring, the recognition of Hawaiian culture and hanai relationships when adopting rules relating to foster care licensing processes;
- (2) Adding definitions for "caregiver" and "safe home" to the Child Protective Act;
- (3) Adding provisions directing DHS to consider willing and able caregivers in child custody matters;
- (4) Adjusting statistics to match current figures as supplied by DHS; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 798, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 798, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 447 Health on H.B. No. 1514**

The purpose of this bill is to ensure the availability of vital neurological specialty care in the state and work toward more reasonable medical malpractice insurance premiums by setting a cap of \$1,000,000 on awards for noneconomic damages in a medical tort claim against a neurologist or neurosurgeon.

The Hawaii Medical Association, Hawaii Association of Health Plans, and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs (DCCA) supported the intent of this measure. The Hawaii Association for Justice opposed this bill. A concerned individual submitted comments.

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

- (1) Requiring a 25 percent rollback on medical malpractice insurance premiums for neurologists and neurosurgeons;
- (2) Requiring DCCA to submit a report to the Legislature prior to the 2013 Regular Session on the effects of the noneconomic damages cap and the insurance rollback for neurologists and neurosurgeons;
- (3) Repealing the noneconomic damages cap and the insurance rollback for neurologists and neurosurgeons on July 1, 2014;
- (4) Requiring a health care provider to disclose to patients adverse events relating to their medical treatment;
- (5) Requiring the Hawaii Medical Board to collect and publish information about physicians licensed in the state to allow consumers to make informed decisions in selecting physicians;
- (6) Establishing a Medical Malpractice Damages Task Force to provide support in implementing the provisions of this bill and study the effects enactment of this bill has on the medical profession, specifically in the area of medical tort liability; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1514, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 448 Health on H.B. No. 1611**

The purpose of this bill is to ensure the health and safety of consumers of meat and fish products by providing for the full disclosure of the various processes to which meat and fish sold as fresh product are subject prior to being packaged and displayed for sale.

The Department of Agriculture (DOA) supported the intent of this bill. The Grocery Manufacturers Association opposed this measure. The Department of Health submitted comments.

Your Committee notes that no resounding testimony in support of this bill was received during its hearing. However, DOA brought up concerns regarding the possibility that meat and fish products treated with gas to enhance their appearance could look fresh even when there are high levels of bacteria present.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1611, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 449 Health/Public Safety on H.B. No. 317**

The purpose of this bill is to appropriately respond to the effects of vog on the Hawaii island community by:

- (1) Requiring the Kona Community Hospital to establish a Mobile Medical Van Program to provide basic medical clinical services to South Kona, Kaū, and upper Puna areas of the County of Hawaii; and
- (2) Appropriating \$500,000 from federal Homeland Security Grant Program funds to purchase a mobile medical van, and for planning and equipment to provide medical care services.

A member of the Hawaii County Council, the Hawaii Medical Service Association, Kaū Farm Bureau, and several concerned individuals testified in support of this bill. The Department of Defense and Department of Health opposed this measure. The Department of Land and Natural Resources, a member of the Hawaii County Council, and a concerned individual offered comments.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 317 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Saiki, Shimabukuro, Takumi and Finnegan.

**SCRep. 450 Health/Human Services on H.B. No. 893**

The purpose of this bill is to appropriate funds for the Department of Health (DOH) to implement a respite services program.

The State Council on Developmental Disabilities, Hawaii Disability Rights Center, Hawaii Alliance for Retired Americans, Legislative Committee of the State's Policy Advisory Board for Elder Affairs, and several concerned individuals testified in support of this bill. DOH opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 893 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 451 Health/Human Services on H.B. No. 324**

The purpose of this bill is to support the invaluable services provided by senior centers to seniors by appropriating funds to support the operations of certain senior centers so that they may continue to enhance the quality of life for seniors in their respective communities.

The Hawaii Chapter of the American Physical Therapy Association, Catholic Charities Hawaii, ILWU Local 142, AARP Hawaii, Policy Advisory Board for Elder Affairs, Kupuna Caucus of the Democratic Party of Hawaii, Waikiki Community Center, the Senior Program Director of the Moiliili Community Center, and numerous concerned individuals supported this bill. The Executive Office on Aging submitted comments.

Your Committees have amended this bill by:

- (1) Inserting the correct legal names of the organizations intended to receive the funding appropriated by this bill; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 324, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 324, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 452 Health/Human Services on H.B. No. 1527**

The purpose of this bill is to continue to discourage the use of tobacco products which causes numerous ill health effects by:

- (1) Raising the tax on tobacco products other than cigarettes; and



- (2) Allocating a percentage of revenues collected on tobacco products for use in cervical and breast cancer screening and the Department of Health's (DOH) Healthy Start Program.

The Hawaii Primary Care Association, Hawaii Family Support Institute, American Cancer Society Hawaii Pacific, Inc., Child & Family Services, Coalition for a Tobacco-Free Hawaii, Parents and Children Together's Hana Like Home Visitor Program, Papa Ola Lokahi, Maui Family Support Services, and several concerned individuals supported this bill. The American Heart Association supported the intent of this measure. The Cigar Association of America, Tobaccos of Hawaii, and a concerned individual opposed this bill. The Tax Foundation of Hawaii submitted comments.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1527, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1527, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 453 Health/Human Services on H.B. No. 725**

The purpose of this bill is to ensure proper care for the elderly and disabled by requiring all health care facilities and health care providers to notify the state-designated protection and advocacy entity or agency prior to transferring any individual out-of-state to a treatment, rehabilitation, or long-term care facility.

The Policy Advisory Board for Elder Affairs, Kupuna Caucus of the Democratic Party of Hawaii, and Hawaii Centers for Independent Living supported this bill. The State Council on Developmental Disabilities, Disability and Communication Access Board, and Hawaii Disability Rights Center (HDRC) supported the intent of this measure. The Department of Health and Healthcare Association of Hawaii opposed this bill. The Queen's Medical Center submitted comments.

Your Committees find that the rights of our elderly and disabled must be upheld to ensure their health and safety, and it notes the testimony of the state-designated protection and advocacy entity, HDRC, that encourages further consideration be given to whether a regulatory department within the state that has licensing jurisdiction over various health care facilities may be the more appropriate agency to receive the type of notice required by this bill. Therefore, your Committees have amended this bill by:

- (1) Providing that health care facilities and providers notify the state-designated protection and advocacy entity or agency or other appropriate agency prior to making an out-of-state transfer;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 725, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 725, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 454 Transportation on H.B. No. 795**

The purpose of this bill is to enhance the health and safety of all-terrain vehicle (ATV) riders under the age of 18 by prohibiting these individuals from operating, riding, or being propelled on an ATV.

The Representative of the 19<sup>th</sup> District and a concerned individual testified in support of this bill. South Seas Cycles and a concerned individual testified in opposition to this measure. The Department of Business, Economic Development, and Tourism submitted comments.

ATVs have been and continue to be used across Hawaii. These vehicles, like any other motorized vehicle, have the potential to cause injury. This risk is even more pronounced when riders are under the age of 18.

While your Committee understands that ATVs are relatively safe and that a majority of those riding ATVs are safety conscious and wear all the proper safety gear, the potential risk of injury to Hawaii's youth is real. Therefore, it is important that steps be taken to prevent the exorbitant amount of health care costs associated with ATV-related injuries and the immeasurable toll and grief experienced by family members and loved ones of individuals who suffer these injuries. For this reason, this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 795 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 455 Transportation on H.B. No. 1520**

The purpose of this bill is to enable a driver who had a license administratively revoked for life due to multiple driving under the influence convictions, a chance to have the license restored under specific circumstances. Among other things, this bill:

- (1) Permits a driver to seek reinstatement of a license no sooner than ten years since the lifetime revocation was imposed;

- (2) Requires that an application for reinstatement of a license be accompanied by written proof that the individual has been assessed by a certified substance abuse counselor and determined not to be in need of substance abuse treatment due to dependency or abuse;
- (3) Requires the installation of an ignition interlock device in the individual's vehicle;
- (4) Requires a driver to have had operated a motor vehicle with an ignition interlock device for a period of five years with no alcohol-related convictions before becoming eligible for an unrestricted driver's license; and
- (5) Establishes procedures for the relicensing of individuals seeking to have their driver's license reinstated.

An individual testified in support of this bill. The Office of the Public Defender and a concerned individual supported this bill with amendments. The Department of Transportation, Hawaii Ignition Interlock Implementation Task Force, Department of the Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving HAWAII testified in opposition to this bill. The Judiciary submitted comments.

Driving under the influence of an intoxicant (DUII) has been a problem in Hawaii, as well as the rest of the nation, for a long time but has received a great deal of attention over the last few decades because of the needless injuries and deaths that have occurred as a result of this action. While laws have been passed to try to halt this behavior, it continues to be a problem on our roadways. This is evidenced by the fact that in Hawaii in 2005, 71 traffic deaths were alcohol related.

One law that attempts to curb this behavior requires that drivers who have been convicted of DUII four or more times in a ten-year period have their driver's license revoked for life. While DUII is not an acceptable behavior, your Committee notes that some individuals who have had their driver's license administratively revoked for life have been sober for over 15 years and have appeared to change their lives over that time period. Your Committee also finds that every individual can be reformed and deserves a second chance.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1520 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 456            Housing on H.B. No. 72**

The purpose of this bill is to increase the safety of public housing projects by making it a crime to, among other things, enter into or unlawfully remain in a public housing project.

The Hawaii Public Housing Authority and several concerned individuals testified in support of this bill. The Honolulu Police Department and American Civil Liberties Union of Hawaii opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Providing a definition of the "housing authorities" that are qualified to make a request or warning for a person to leave the premises;
- (2) Deleting the provision that between the hours of 10:00 p.m. and 5:00 a.m., a warning or request to leave a public housing project is not necessary to establish a criminal trespass in the first degree; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 72, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 72, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 457            Legislative Management on H.B. No. 707**

The purpose of this bill is to ensure the proper usage of federal funds earmarked for health care in Hawaii.

This bill appropriates unspecified funds for the State Auditor to conduct a financial audit of all federal funds to determine whether the Department of Human Services is in compliance with federal requirements. The audit will determine whether:

- (1) The manner and means by which federal funds are distributed are in compliance with federal rules; and
- (2) The amounts reimbursed to various programs, plans, and providers are appropriate.

The Chamber of Commerce of Hawaii, Hawaii Pacific Health, and Healthcare Association of Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 707 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 458            Health/Education on H.B. No. 1538**

The purpose of this bill is to ensure the health and safety of public school students by:

- (1) Requiring the Department of Education (DOE) to use environmentally-sensitive cleaning and maintenance products (Products);
- (2) Directing the Department of Health (DOH) to establish guidelines and specifications for the Products; and

- (3) Requiring the State Procurement Office (SPO) to maintain a list of vendors where Products are available.

DOE, several students from Moanalua High School and Kawaiaha‘o School, and several concerned individuals supported this bill. DOH and SPO opposed this measure. The American Chemistry Council and Consumer Specialty Products Association submitted comments.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1538 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Chang, Mizuno, Rhoads and Saiki.

**SCRep. 459 Health on H.B. No. 553**

The purpose of this bill is to encourage the establishment of modern medical and research facilities and attract highly skilled medical, research, and health care professionals through various tax incentives by establishing a medical enterprise zone program, including a pilot medical enterprise zone in West Maui.

The Department of Health, Department of Business, Economic Development, and Tourism, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 553, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 553, H.D. 2.

Signed by all members of the Committee.

**SCRep. 460 Health on H.B. No. 1633**

The purpose of this bill is to ensure the health and safety of children by prohibiting the manufacture, sale, and distribution of products for young children that contain bisphenol-A or phthalates and requiring manufacturers to choose safe alternatives.

The Grocery manufacturers Association, Retail Merchants Hawaii, and American Chemistry Council opposed this bill. The Department of Health and American Cancer Society Hawaii Pacific, Inc. submitted comments.

Your Committee has amended this bill by replacing its contents with provisions requiring the Legislative Reference Bureau to perform a study, working with information from the Centers for Disease Control, investigating the risks involved in the use of phthalates and bisphenol-A in consumer products, including children's toys and childcare products. The study is to be submitted to the Legislature prior to the start of the 2010 Regular Session.

Your Committee has further amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1633, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1633, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 461 Health on H.B. No. 1636**

The purpose of this bill is to provide additional protection for physicians who render medical services in emergency situations involving an immediate threat of death or serious bodily injury.

Specifically, this bill broadens the scope of the grant of immunity from civil action to a licensed physician for providing good faith emergency medical care in a hospital by extending that immunity to care for a person who has a serious bodily injury, while the person has still not been discharged from the hospital, and to care for a person who is in immediate danger of loss of life, unless the danger results from the physician's gross negligence or wanton acts or omissions. The bill also clarifies that the immunity extends to emergency obstetrical medical care given under the same conditions, where the patient has not received prenatal care or has never been a patient of the physician.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, The Queen's Medical Center, the Hawaii Medical Association, and the Hawaii Association of Health Plans. The Hawaii Association for Justice submitted testimony in opposition. One individual offered comments.

Your Committee finds that this bill establishes a uniform standard of care governing exceptions to tort liability with regard to emergency medical care, including emergency obstetrical medical care, provided by a licensed physician under certain circumstances. Similar exceptions are currently given to "good Samaritans," publishers of public service information on emergency first aid treatment, and trained individuals who administer aid with automatic external defibrillators. Your Committee finds that this bill will also help remove barriers to the recruitment and retention of emergency room physicians in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1636 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 462 Health on H.B. No. 310**

The purpose of this bill is to deter excessive litigation in medical tort claims that are filed following the rejection of an award granted by the Medical Claims Conciliation Panel (Panel) by authorizing the court to impose sanctions on:

- (1) A plaintiff, if the judgment exclusive of any punitive damages fails to improve upon the Panel's award by 30 percent or more; or
- (2) A defendant, if the judgment exclusive of any punitive damages increases the Panel's award by 30 percent or more.

The Hawaii Medical Association and Hawaii Association of Health Plans supported this bill. The Department of Commerce and Consumer Affairs (DCCA), Hawaii Association for Justice, and a concerned individual submitted comments.

Your Committee recognizes the concerns of DCCA's Office of Administrative Hearings regarding this bill, including the possibility of encouraging delays in the Panel's hearings, or claimants seeking artificially low damage awards from the Panel. Concerns also regarded the financial impact on operations and the members of the Panel. These issues should be given further consideration as this bill moves through the legislative process. Therefore, your Committee has amended this bill by changing its effective date to July 1, 2020, to encourage further discussion. Technical, nonsubstantive changes were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 310, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 463 Health on H.B. No. 608**

The purpose of this bill is to protect young people from the dangers of using tobacco products by prohibiting the possession or use of tobacco products by minors.

The Hawaii Food Industry Association supported this bill. The American Cancer Society Hawaii Pacific, Inc., supported the intent of this measure. The Coalition for a Tobacco-Free Hawaii, American Lung Association of Hawaii, and American Heart Association of Hawaii opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 608, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.  
(Representatives Belatti, Bertram and Carroll voted no.)

**SCRep. 464 Health on H.B. No. 807**

The purpose of this bill is to improve the medical tort law and help contain the spiraling costs of medical malpractice insurance by, among other things:

- (1) Prohibiting the Medical Claim Conciliation Panel (Panel) from filing claims brought after the expiration of the statute of limitations;
- (2) Authorizing the Panel to dismiss frivolous or non-meritorious claims; and
- (3) Requiring the Panel to provide a copy of the certificate of consultation to the health care providers.

The Hawaii Medical Association and Hawaii Association of Health Plans testified in support of this bill. The Hawaii Association for Justice and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment to correct drafting style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 807, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 807, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 465 Health on H.B. No. 1213**

The purpose of this bill is to:

- (1) Authorize the Board of Dental Examiners to issue an order to cease and desist the unlicensed practice of dentistry; and
- (2) Establish as a class C felony the continued practice of dentistry without a license after receiving a cease and desist order.

Several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs and Board of Dental Examiners opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1213, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 466 Health on H.B. No. 1208**

The purpose of this bill is to provide purchasers of dental insurance information on limits of use of the policy acquired by requiring health insurers and like entities who offer dental coverage to declare and execute their coordination of dental benefits policy to insureds and their counterparts.

The Hawaii Dental Association supported this bill. The Hawaii Medical Service Association opposed this measure. The Department of Commerce and Consumer Affairs submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 467 Health on H.B. No. 1209**

The purpose of this bill is to ensure people receive safe dental care by a licensed dental practitioner by redefining the practice of dentistry to include tooth whitening.

The Board of Dental Examiners, Hawaii Dental Association, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs and its Regulated Industries Complaints Office submitted comments.

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

- (1) Clarifying that dentistry includes any phase of any operation involving teeth whitening, including the instruction or application of teeth whitening materials; and
- (2) Inserting a definition of "teeth whitening."

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1209, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 468 Health on H.B. No. 895**

The purpose of this bill is to deter the use of tobacco products other than cigarettes, including smokeless tobacco, snuff, cigars, and pipe tobacco by increasing the tobacco tax on such products from 40 percent to 60 percent of the wholesale price and requiring 33.3 percent of the proceeds collected to be deposited into the Community Health Centers Special Fund.

The Coalition for a Tobacco-Free Hawaii, Hawaii Primary Care Association, American Lung Association of Hawaii, and American Cancer Society Hawaii Pacific, Inc. supported this bill. The American Heart Association of Hawaii supported the intent of this measure. The Department of Budget and Finance and Cigar Association of Hawaii opposed this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

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

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

Signed by all members of the Committee.

**SCRep. 469 Health on H.B. No. 692**

The purpose of this bill is to provide health care coverage for children in Hawaii who fall within a gap group that is uninsured for various reasons by extending for three years the Hawaii Children's Health Care Program commonly known as "Keiki Care" that was established by Act 236, Session Laws of Hawaii 2007.

The Hawaii Medical Service Association, AlohaCare, Hawaii Primary Care Association, and Good Beginnings Alliance supported this bill. The Department of Human Services submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 692, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 692, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 470 Health on H.B. No. 1782**

The purpose of this bill is to help Hawaii realize potential savings in health care, while increasing quality of care and access, increasing medical services to underserved and rural areas of the state, and even accessing new sources of federal funding by establishing an Office of State Coordinator of Health Information Exchange (OSCHIE) within the Department of Health (DOH) to coordinate local efforts to develop a health information exchange network in Hawaii, identify funding sources, integrate state health programs, and eventually participate in the national health information technology network.

The Hawaii Primary Care Association, Hawaii Pacific Health, Hawaii Health Information Exchange, Ho'okele Personal Health Planners, LLC., and a concerned individual supported this bill with amendments. The Hawaii Medical Service Association supported the intent of this measure. The Department of Budget and Finance opposed this bill. DOH, the Department of Human Services, League of Women Voters of Hawaii, and a concerned individual submitted comments.

Your Committee finds that Health Information Exchange is an essential tool in significantly increasing health and safety in our health system as well as improving financial efficiency. However, safety in terms of protecting the confidential information such systems store and transmit is of utmost importance and serious consideration must be taken to ensure this information remains secure and uncompromised.

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

- (1) Authorizing DOH to contract with an agency experienced in addressing health information exchange system development and implementation;
- (2) Expanding the specifications for the development of a mechanism to evaluate, promote, and improve the quality of health and health care delivered to various populations;
- (3) Requiring all network participants to ensure confidential data is secure;
- (4) Changing the members of the annual council convened by OSCHIE by:
  - (A) Providing for appointments to the council by the Speaker of the House of Representatives and the Senate President;
  - (B) Including a representative of federally qualified health centers; and
  - (C) Replacing the Director of Commerce and Consumer Affairs with the Insurance Commissioner;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1782, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 471 Judiciary on H.B. No. 819**

The purpose of this bill is to require the Family court to waive jurisdiction and order a minor who is at least 15 years of age and charged with murder in the first or second degree be held for criminal proceedings.

The Honolulu Police Department, Hawaii Rifle Association, and numerous concerned individuals testified in support of this bill. The Office of the Public Defender and American Civil Liberties Union of Hawaii testified in opposition to this measure. The Judiciary provided comments.

Your Committee notes that the Judiciary expressed concern that a waived minor would be held in a youth correctional facility, stating that it is inadvisable to require the Office of Youth Services/Hawaii Youth Correctional Facility to house both waived and non-waived juveniles.

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

- (1) Providing for the remand of the waived minor to the Family Court;
- (2) Including a sunset provision; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 819, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.

**SCRep. 472      Judiciary on H.B. No. 423**

The purpose of this bill is to ensure that sexual assault survivors have access to all available medical treatment and support by requiring hospitals to provide information about emergency contraception to women who were sexually assaulted, and to provide emergency contraception when requested.

This bill makes an exception for religiously affiliated hospitals with religiously-based objections; provided that exempt institutions immediately transport victims of sexual assault to another appropriate health care facility or provider, cover all costs associated with the transportation, and inform the sexual assault victim of all available care options at the receiving health care facility.

Hawaii Medical Center East, the St. Francis Healthcare System of Hawaii, Hawaii Family Forum, and several concerned individuals testified in support of this bill. The Hawaii State Democratic Women's Caucus, American Civil Liberties Union of Hawaii, Hawaii Women's Political Caucus, Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, and many concerned individuals supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Removing the religious exemption; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 423, H.D. 2.

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

**SCRep. 473      Energy & Environmental Protection on H.B. No. 36**

The purpose of this bill is to provide additional resources to the State's sanitation program by:

- (1) Specifying that moneys from the Environmental Health Education Fund (Fund) shall also be used for sanitation programs;
- (2) Re-naming the Fund to the Sanitation and Environmental Health Special Fund; and
- (3) Allowing the Fund to retain up to \$2,445,000 annually rather than \$300,000. Any excess funds shall be deposited into the general fund.

The Hawaii Food Industry Association testified in support of this bill. DOH and an individual testified in support of this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 474      Energy & Environmental Protection on H.B. No. 1682**

The purpose of this measure is to improve the state enterprise zone program.

Specifically, this measure:

- (1) Includes limited liability companies in the definitions of "qualified business" and "service business";
- (2) Allows the receipts, sales, and number of employees of all of a business firm's establishments within enterprise zones in the same county to be consolidated to determine whether a business firm is designated as a qualified business for purposes of the enterprise zone law, chapter 209E, Hawaii Revised Statutes; and
- (3) Extends the period for qualified businesses to receive state income tax credits and general excise tax exemptions an additional seven years.

Your Committee received testimony in support of this measure from Hawaiian Electric Company and its subsidiaries; Honolulu Seawater Air Conditioning, LLC; and Hawaii Crop Improvement Association. The Department of Business, Economic Development, and Tourism and Department of Taxation offered testimony in opposition to the measure, and the Board of Agriculture submitted comments.

Your Committee finds that the state enterprise zone program has had positive results in revitalizing certain communities within the State and further believes that, in these uncertain economic times, it is all the more urgent to continue to provide the regulatory flexibility and tax incentives to qualified businesses in the enterprise zone program.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1682, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 475      Energy & Environmental Protection on H.B. No. 425**

The purpose of this bill is to support the development of a renewable and efficient energy system in the state by extending, from June 30, 2009, to June 30, 2014, the authorization to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

Honolulu Seawater Air Conditioning, LLC, and the Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill.

Your Committee has amended this bill by changing its effective date to June 29, 2009.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 425, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, Herkes, Luke and Sagum.

**SCRep. 476 Energy & Environmental Protection on H.B. No. 427**

The purpose of this bill is to encourage the development of alternative energy and renewable fuel technologies by authorizing the issuance of \$35,000,000 in special purpose revenue bonds (SPRBs) for One Planet Pacific Energy, LLC, to build a gasification facility adjoining the construction and demolition material solid waste landfill located in Nanakuli on the island of Oahu.

The Department of Budget and Finance and One Planet Pacific Energy, LLC, testified in support of this bill.

Your Committee has amended this bill by:

- (1) Increasing the authorized issuance of SPRBs from \$35,000,000 to \$40,000,000; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the lapse date of authorization from June 30, 2015, to June 30, 2014, to maintain consistency with the statutory requirement that no authorization may be made for a period exceeding five years of its enactment.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 427, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, Herkes, Luke and Sagum.

**SCRep. 477 Energy & Environmental Protection on H.B. No. 1491**

The purpose of this bill is to adjust the aggregated \$12,000,000 annual Ethanol Facility Tax Credit (Tax Credit) cap because of the declining revenues of the State due to a slumping economy by reducing the cap to \$8,000,000 for a four-year period commencing January 1, 2009, through December 31, 2012.

The Department of Business, Economic Development, and Tourism and Pacific West Energy, LLC opposed this bill.

Act 289, Session Laws of Hawaii 2000, as subsequently amended, provided tax incentives to support and encourage the establishment of an ethanol industry in Hawaii. Due to financing, feedstock supply, siting, and other challenges, proposed ethanol projects have taken much longer to develop than originally projected and may, in fact, be at least two years away from production capability.

Although the \$12,000,000 Tax Credit has not been claimed, this measure should not be construed as a diminution of the State's commitment to establishing an ethanol industry in Hawaii, but a temporary adjustment driven by a declining state economy.

Since a taxpayer cannot claim the Tax Credit until its ethanol production facility reaches 75 percent of its nameplate capacity, your Committee believes that a temporary period of an \$8,000,000 Tax Credit will not discourage investors from pursuing the establishment of a local ethanol industry. Your Committee finds that the four-year period of the \$8,000,000 Tax Credit should be reduced to encourage investors and demonstrate the State's commitment.

Accordingly, your Committee has amended this bill by:

- (1) Reducing the four-year period of the \$8,000,000 Tax Credit period to one and one-half years from July 1, 2011, to December 31, 2012; and
- (2) Clarifying that the annual \$8,000,000 Tax Credit is in the aggregate and prorated over a twelve-month year, with a \$4,000,000 aggregated cap from July 1, 2011, to December 31, 2011, and \$8,000,000 for the period from January 1, 2012, to December 31, 2012.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 478 Energy & Environmental Protection/Agriculture on H.B. No. 591**

The purpose of this bill is to encourage electric utilities to exceed renewable portfolio standards or meet them ahead of time by specifying the following incentives that may be provided by the Public Utilities Commission (PUC), including:

- (1) A preferential rate for renewable electrical energy purchased from renewable energy producers associated with agriculture;



- (2) Renewable energy credit trading programs; and
- (3) Credits for providing certain environmental services.

Gay & Robinson, Inc., ILWU Local 142, Hamakua Springs, Alexander & Baldwin, Inc., and Hawaiian Commercial & Sugar Company testified in support of this bill. The Hawaii Farm Bureau Federation supported this measure with an amendment. The PUC and Department of Commerce and Consumer Affairs Division of Consumer Advocacy offered comments.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 591 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Chong, C. Lee, McKelvey, Tokioka, Wakai and Ching.

**SCRep. 479 Hawaiian Affairs on H.B. No. 900**

The purpose of this bill is to support programs that benefit Hawaiians and native Hawaiians by appropriating funds for the operating and capital improvement budgets of the Office of Hawaiian Affairs.

The Association of Hawaiian Civic Clubs and Native Hawaiian Legal Corporation supported this bill. The Office of Hawaiian Affairs, Papa Ola Lokahi, and Na Pua No'eau supported this bill and suggested amendments.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 900, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 900, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Nishimoto and Yamane.

**SCRep. 480 Consumer Protection & Commerce on H.B. No. 447**

The purpose of this bill is to improve the regulation of check cashers by:

- (1) Requiring check cashers to register with the Department of Commerce and Consumer Affairs (DCCA), keep business records, and make reports to DCCA;
- (2) Providing for interest-free payment plans and extended repayment plans between check cashers and customers;
- (3) Providing a general excise tax exemption for fees and interest received by check cashers on deferred deposit transactions;
- (4) Expanding the types of information that check cashers must include in posted and written notices to customers;
- (5) Allowing customers to rescind a deferred deposit agreement within twenty-four hours of the transaction;
- (6) Specifying that check cashers may not enter into a deferred deposit agreement with a customer while any other such agreement is in effect from any source;
- (7) Allowing check cashers to recover principal, interest, and out-of-pocket legal expenses, and ten percent in additional interest on uncollected judgments, in actions brought against consumers for dishonored checks in deferred deposit agreements, and increasing the allowable fee for the return of dishonored checks; and
- (8) Eliminating the exemption from the Check Cashing Law for retailers of goods and services who engage in limited check cashing activities.

Money Service Centers of Hawaii, Inc., testified in support of this bill. The Legal Aid Society of Hawaii and Hawaii Alliance for Community-Based Economic Development supported the intent of this measure. DCCA, the Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding a preamble;
- (2) Eliminating:
  - (A) Registration, recordkeeping, and reporting requirements for check cashers;
  - (B) Authorization of administrative fees for payment plans;
  - (C) The general excise tax exemption for fees and interest received by check cashers on deferred deposit transactions;
  - (D) The provision allowing check cashers to recover principal, interest, out-of-pocket legal expenses, and ten percent in additional interest on uncollected judgments, in actions brought against consumers for dishonored checks in deferred deposit agreements;
  - (E) The increase in the dishonored check fee for deferred deposit agreements; and
  - (F) The sunset provision for this measure;

- (3) Requiring check cashers to provide extended repayment plans to any customer who enters into an interest-free payment plan, if the customer requests the option before the close of business on the last day payment is due;
- (4) Requiring check casher posted and written notices to state that only one deferred deposit agreement may be opened from all sources at any one time;
- (5) Reducing the requisite font size for written notices provided by check cashers;
- (6) Requiring check casher written notices to inform customers of the availability of both payment and extended repayment plans;
- (7) Allowing consumers to rescind deferred deposit agreements by the close of business on the next business day after the transaction;
- (8) Specifying that check cashers may not knowingly enter into a deferred deposit transaction with a customer who already has another deferred deposit agreement outstanding; and
- (9) Changing the effective date to January 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 447, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 481 Economic Revitalization, Business, & Military Affairs on H.B. No. 82**

The purpose of this measure is to provide a limited general excise tax exemption or holiday for certain school supplies and clothing.

Specifically, this measure provides an annual general excise tax holiday of five days, beginning on Wednesday of the last full week in July for school supplies and clothing, including books, computers, computer software, and supplies. The tax holiday does not apply to cellular telephones, watches, radios, sporting equipment, copiers and other office equipment, and other non-essential school items.

Your Committee received testimony in support of this measure from the Department of Taxation, the Retail Merchants of Hawaii, and the Hawaii State Teachers Association. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the tax holiday provided under this measure will not only stimulate a sagging state economy, but will also support education by providing financial assistance to students preparing for the upcoming academic year. Your Committee also finds that in 2008, sixteen states held tax holidays, usually during the back-to-school season in late summer.

Your Committee has amended the measure by:

- (1) Adding a purpose section;
- (2) Adding definitions for "book", "clothing", and "computer", clarifying the definitions of "computer software" and "school supplies", and deleting the definition of "personal computers";
- (3) Changing the time period of the tax holiday;
- (4) Deleting video games of a non-essential nature from the list of items that are not exempt from the general excise tax;
- (5) Changing price restrictions on certain school supplies;
- (6) Deleting provisions with respect to: special licenses and reporting procedures for retailers; clarification of exempt items by rule; sales restrictions for retailers; and tax refunds; and
- (7) Changing the effective date to July 1, 2112, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 82, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 82, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 482 Economic Revitalization, Business, & Military Affairs on H.B. No. 473**

The purpose of this bill is to continue to honor the sacrifices of our veterans and their families by appropriating funds to repair and maintain the Kauai Veterans Cemetery.

A concerned individual testified in support of this bill. The Office of Veterans' Services supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 473, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 483 Economic Revitalization, Business, & Military Affairs on H.B. No. 556**

The purpose of this bill is to allow Filipino veterans' families who cannot afford funeral services and transportation of the deceased veteran's remains to the Philippines, to receive burial grants for these purposes from the Office of Veterans' Services (OVS).

OVS commented on this bill.

Your Committee heard concerns that the burial grants in this bill would allow individuals with other than honorable service to be eligible for a burial grant. Accordingly, your Committee has amended this bill by removing language that limits grants to veterans not eligible for interment in state and federal veterans' cemeteries.

In addition, to address the fiscal implications of this bill, its applicability was amended to include only those veterans who died after June 30, 2004, instead of June 30, 1994.

Finally, technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 556, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 484 Economic Revitalization, Business, & Military Affairs on H.B. No. 638**

The purpose of this measure is to speed up the award of public contracts.

Specifically this measure requires the dismissal of a protest of an award or contract if the protest is based upon an inadvertent error in a bid that is less than one per cent of the bid amount.

The State Procurement Office recommended the measure be held.

Your Committee finds that additional measures to discourage frivolous or bad-faith protests may expedite the awarding of public contracts and eliminate delays in providing essential facilities and services to the public.

Accordingly, your Committee has amended this measure by:

- (1) Permitting an administrative proceeding to protest a solicitation or award under section 103D-302 or 103D-303 only if:
  - (A) The protest concerns a matter that is equal to no less than ten per cent of the total estimated value of the contract; and
  - (B) The soliciting party pays a cash or protest bond to the Department of Commerce and Consumer Affairs in an amount equal to one per cent of the total estimated value of the contract, up to a maximum of \$50,000, for contracts of \$1,000,000 or more;
- (2) Providing for the disposition of the cash or protest bond upon the outcome of the administrative hearing, as follows:
  - (A) Returned to an initiating party, if the party prevails; or
  - (B) Fifty per cent deposited into the compliance resolution fund and fifty per cent deposited into the general fund, if the initiating party does not prevail;
- (3) Defining "estimated value of the contract"; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 638, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 485 Economic Revitalization, Business, & Military Affairs on H.B. No. 617**

The purpose of this bill is to engage in planning that will enhance the economic stimulus provided by future mass transit systems by establishing a task force to recommend parameters for the creation of mass transit route economic zones including eligibility and benefits, and incentives such as tax credits to attract businesses and affordable housing development, and to encourage ridership.

The Hawaii Association of Realtors testified in support of this bill. The Department of Business, Economic Development, and Tourism, Federal Transit Administration, federal Department of Housing and Urban Development, Hawaii Housing Finance and Development Corporation, Department of Transportation, and Department of Planning and Permitting of the City and County of Honolulu (DPP) provided comments.

Your Committee has amended this bill by:

- (1) Adding the Director of DPP or his designee to the task force; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 617, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 617, H.D. 1.

Signed by all members of the Committee except Representative Evans.

**SCRep. 486 Economic Revitalization, Business, & Military Affairs on H.B. No. 829**

The purpose of this bill is to recognize the sacrifices made by our veterans by exempting noncommercial motor vehicles owned by armed services veterans who have a service-connected disability from the state motor vehicle tax and vehicle registration fee.

The Office of Veterans' Services and a concerned individual testified in support of this bill. The Department of Transportation (DOT) and City and County of Honolulu opposed this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee notes the concerns raised by DOT that, while DOT recognizes the importance of efforts to reward the sacrifices of veterans for our country, this measure would have an adverse impact on fees that support the construction, operations, and maintenance of highways.

Therefore, your Committee has amended this bill by limiting the exemption to veterans who are totally disabled for purposes of employability, according to the disability ratings of the Department of Veterans Affairs, as a result of a service-related injury.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 829, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 829, H.D. 1.

Signed by all members of the Committee except Representative Evans.

**SCRep. 487 Public Safety on H.B. No. 408**

The purpose of this bill is to address concerns regarding the impact that transfers of inmates have on their family ties as well as on their educational, vocational, treatment, and other programs.

This bill clarifies the circumstances under which inmates may be transferred to out-of-state prisons or between correctional facilities in Hawaii and requires that inmates be given 14-day notice prior to transfer. It also prohibits transfers to out-of-state prisons if an inmate is regularly participating in activities involving the inmate's child.

The Hawaii Community Alliance on Prisons, Hawaii Youth Services Network, The Drug Policy Forum, American Civil Liberties Union of Hawaii, and three individuals testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney, Department of the Attorney General, and Department of Public Safety opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 408 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 488 Public Safety on H.B. No. 686**

The purpose of this bill is to facilitate the transition to reduced ignition propensity cigarettes (RIPCs) by:

- (1) Delaying the implementation of the RIPC Law from September 30, 2009, to September 30, 2010; and
- (2) Establishing a special revolving fund administered by the State Fire Council (SFC) to hire personnel to administer the RIPC program and cover costs of the program.

SFC, Honolulu Fire Department, Kauai Fire Department, and Coalition for a Tobacco Free Hawaii supported this bill. The Department of Budget and Finance submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 686 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 489 Public Safety on H.B. No. 954**

The purpose of this bill is to ensure that federal fund reimbursements for eligible disaster repair projects and disaster management costs received by the Department of Defense (DOD) are not subject to lapsing by requiring the Director of Finance to establish a major disaster reserve trust fund, including subaccounts for this trust fund and any other trust funds or accounts, where the federal fund reimbursements may be held for later use.

DOD supported this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 954 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 490 Public Safety on H.B. No. 1214**

The purpose of this bill is to assist in disaster preparedness efforts by appropriating \$390,000 as a grant-in-aid to provide various capital improvements for the headquarters facility and neighbor island offices of the Hawaii Chapter of the American Red Cross.

The Department of Defense opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1214 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 491 Consumer Protection & Commerce on H.B. No. 524**

The purpose of this bill is to broaden the investment options for condominium associations by allowing association funds to be invested in county bonds and in mutual funds comprising such bonds and other government obligations.

First Hawaiian Bank and the Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this bill. A concerned individual opposed this measure. The Hawaii Council of Associations of Apartment Owners provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that association funds may be invested in mutual funds comprising county and other government obligations and that include cash equivalents; and
- (2) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 524, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Mizuno and Morita.  
(Representative Thielen voted no.)

**SCRep. 492 Consumer Protection & Commerce on H.B. No. 1439**

The purpose of this bill is to make various amendments shaping the purpose and application of the Life Settlements Act under Chapter 431E, Hawaii Revised Statutes (HRS), which establishes 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.

Coventry testified in support of this bill. The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors – Hawaii, and American Council of Life Insurers opposed this measure.

Chapter 431E, HRS, implements the Life Settlements Model Act adopted by the National Conference of Insurance Legislators (NCOIL) and among other things prohibits stranger-originated life insurance (STOLI) transactions in which, for example, a private investor finances insurance on the life of an unrelated individual in an arrangement that ultimately transfers the policy or death benefits to the investor in most cases.

Testimony received on this bill indicates disagreements over the appropriate scope of the Life Settlements Act and the types of activities that should be classified as prohibited STOLI transactions. Your Committee notes the complexities of these issues and has amended this measure by changing the effective date to January 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As part of its ongoing consideration of this bill, your Committee has forwarded a copy of this measure to NCOIL for comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1439, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 493 Consumer Protection & Commerce/Judiciary on H.B. No. 262**

The purpose of this bill is to enable the Department of Commerce and Consumer Affairs' (DCCA) Insurance Division to investigate and prosecute insurance fraud beyond motor vehicle insurance fraud, to cover fraud in all lines of insurance except cases and violations arising out of the Workers' Compensation Law, Chapter 386, Hawaii Revised Statutes (HRS). This bill also expands the definition of insurance fraud and allows the filing of administrative and civil insurance fraud actions.

DCCA, the National Association of Insurance and Financial Advisors – Hawaii, American Council of Life Insurers, Hawaii Medical Service Association, State Farm Insurance Companies, and GEICO testified in support of this bill. The Hawaii Association for Justice opposed this measure. The Department of the Attorney General and Hawaii Association of Health Plans provided comments.

Your Committees have amended this bill by:

- (1) Clarifying that the Attorney General has the discretion to designate as special deputy attorneys general, any attorney employed or retained by the newly established Insurance Fraud Investigations Branch (Branch) and representing the State in any criminal, civil, or administrative proceeding relating to insurance fraud;
- (2) Providing that only Branch investigators will have the same powers and authority as police officers and deputy sheriffs under this measure;
- (3) Providing that the administrative penalties established by this measure apply to insurance fraud committed "knowingly," as that term is defined in the Hawaii Penal Code under section 702-206, HRS;
- (4) Replacing the provisions relating to the civil service status, salaries, benefits, and privileges of employees transferred by this measure from the existing Insurance Fraud Investigations Unit to the Branch, with language suggested by DCCA; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 262, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 262, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 494 Consumer Protection & Commerce/Judiciary on H.B. No. 995**

The purpose of this bill is to clarify the laws governing the practice of public accountancy in Hawaii by firms and individuals licensed in other states, by authorizing the out-of-state practice of public accountancy in Hawaii conducted through an individual with a permit or privilege to practice in this state.

The Board of Public Accountancy (Board), the Hawaii Society of Certified Public Accountants, Accuity LLP, and a concerned individual testified in support of this bill. The Hawaii Association of Public Accountants and numerous concerned individuals opposed this measure.

Your Committees have amended this bill by:

- (1) Requiring out-of-state firms and practitioners to notify the Board before practicing in Hawaii;
- (2) Providing that out-of-state firms and practitioners practicing in Hawaii:
  - (A) Are subject to the jurisdiction and disciplinary authority of Hawaii courts;
  - (B) Must comply with the Uniform Professional and Vocational Licensing Act, Chapter 436B, Hawaii Revised Statutes;
  - (C) Are deemed to have irrevocably appointed the regulatory agency of the state that issued the firm or practitioner's license as its agent for the service of process in any action or proceeding by the Board against the firm;
  - (D) Must cease practicing in Hawaii and notify the Board of the entry or issuance of any criminal conviction or disciplinary order, or if the firm's or practitioner's license in the state of its principal place of business becomes inactive, lapses, or is forfeited; and
  - (E) Must cooperate with any Board investigation or inquiry, and timely respond to any Board request, notice, demand, or subpoena for information or documents;
- (3) Authorizing the Board to:
  - (A) Disqualify an out-of-state firm or practitioner from exercising practice privileges under this measure upon the Board's determination that the firm or practitioner has used the privilege for a length of time and to an extent that is effectively equivalent to establishing an office in Hawaii;
  - (B) Take disciplinary action against those violating the provisions of this measure;
  - (C) Recover all reasonable costs incurred as part of its investigative, administrative, and disciplinary proceedings, from any firm or practitioner disciplined for failure to comply with this measure; and
  - (D) Adopt rules providing that practitioners licensed in certain states do not qualify for practice privileges under this measure because the licensing requirements in those states are substantially lower than comparable requirements in Hawaii. Practitioners from such states may obtain practice privileges upon demonstrating completion of education and experience requirements comparable to those required for Hawaii practitioners;
- (4) Providing that this measure applies to the practice of public accountancy in Hawaii, regardless of whether the services are rendered through direct physical presence or through electronic communications;
- (5) Inserting a sunset date for this measure of June 1, 2012; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 995, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 995, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Mizuno and Morita.  
(Representative McKelvey voted no.)

**SCRep. 495            Public Safety on H.B. No. 927**

The purpose of this bill is to reduce the temptation for children to use lighters and the danger of fires and the damages caused by banning the sale or distribution of novelty lighters in the state.

The State Fire Council, Honolulu Fire Department, and Kauai Fire Department testified in support of this bill.

Your Committee respectfully requests the Committee on Judiciary to considering removing the misdemeanor penalty in subsection (c) if it is too stringent a penalty for the crime in this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 927 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 496            Public Safety on H.B. No. 990**

The purpose of this bill is to improve planning and coordination for disaster preparedness efforts in Hawaii by establishing the Office of Disaster Preparedness and a Disaster Preparedness Commission to develop a comprehensive disaster preparedness plan that includes identification of natural hazards, designation of natural hazard impact zones, measures to mitigate the problems caused by natural hazards, and plans for best responses to disasters.

Hawaii Association of REALTORS, Hawaii Lumber Products Association, State Farm Insurance Companies, and Hawaii Business League supported this bill. Hawaii Insurers Council supported the intent of this bill. The Department of Defense opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 990 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 497            Public Safety on H.B. No. 1568**

The purpose of this bill is to assist the Hawaii Chapter of the American Red Cross in its disaster preparedness efforts by appropriating \$1,650,000 for various capital improvements to its Oahu headquarters and four neighbor island offices.

The Hawaii Chapter of the American Red Cross and Hawaii Lumber Products Association supported this bill. The Department of Defense supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 498            Public Safety/Agriculture on H.B. No. 316**

The purpose of this bill is to provide financial assistance for agricultural operations impacted by vog by establishing a temporary reimbursement program to reimburse qualified tenants, operating on state-leased agricultural lands in vog-impacted areas, for costs incurred by the tenant in repairing, maintaining, or replacing fencing and other infrastructure on the leased property due to vog.

County of Hawaii, a member of the Hawaii County Council, Ka'u Farm Bureau, and a concerned individual supported this bill. The Department of Agriculture supported the intent of this measure. The Department of Defense opposed this bill. A member of the Hawaii County Council submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 316 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Saiki, Takumi, Wakai and Marumoto.

**SCRep. 499            Public Safety/Health on H.B. No. 312**

The purpose of this bill is to provide better warning of vog events by requiring the Department of Defense (DOD), in consultation with the Department of Health (DOH) and the Interagency Task Force on Vog, to develop and implement a program to ensure that an adequate number of monitors to detect sulfur dioxide are strategically placed throughout areas of the state where high incidences of vog, sulfur dioxide, or both occur.

A member of the Hawaii County Council, Ka'u Farm Bureau, and a concerned individual supported this bill. The Hawaii County Civil Defense Agency supported the intent of this bill. DOD opposed this measure. DOH and a member of the Hawaii County Council submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 312 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Saiki, Shimabukuro, Takumi and Finnegan.

**SCRep. 500            Public Safety/Labor & Public Employment on H.B. No. 685**

The purpose of this bill is to ensure the State Fire Council (SFC) has the resources necessary to carry out its duties by establishing staff positions within the SFC to assist in accomplishing its duties and responsibilities.

SFC, the Honolulu Fire Department, Kauai Fire Department, and Hawaii Fire Department supported this bill.

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

As affirmed by the records of votes of the members of your Committees on Public Safety and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 685, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 685, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 501 Health/Human Services on H.B. No. 894**

The purpose of this bill is to improve patient care, reduce errors, and reduce health care costs by:

- (1) Requiring the Department of Health (DOH) to develop and implement the Patient-centered Health Care Homes Pilot Project (Pilot Project) to provide health care funding to federally qualified health centers;
- (2) Establishing three levels of fees for service and specifying the allocation of funds for the Pilot Project;
- (3) Requiring DOH to submit an interim report to the 2010 Legislature and a final report to the 2011 Legislature; and
- (4) Appropriating funds to provide primary health care funding to federally qualified health centers.

The Hawaii Primary Care Association testified in support of this bill. DOH opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 894 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 502 Health on H.B. No. 1114**

The purpose of this bill is to allow health care providers to test a patient for the human immunodeficiency virus after giving the patient the opportunity to decline the test.

The Department of Health, Life Foundation, Healthy Mothers Healthy Babies Coalition of Hawaii, the Hawaii HIV/AIDS Community Planning Group Steering Committee, Hawaii Medical Association, Gregory House Programs, and several concerned individuals testified in support of this measure. The American Civil Liberties Union of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 503 Health on H.B. No. 1537**

The purpose of this bill is to specify that any person, including an employer, that provides for an automatic external defibrillator training program shall not be vicariously liable for any civil damages resulting from any act or omission by a Good Samaritan attempting to use an automatic external defibrillator, except as may result from gross negligence or wanton acts or omissions.

The Department of Health, American Heart Association, Hawaii Independent Condominium and Cooperative Owners, and AED Institute of America, Inc., supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1537 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 504 Health on H.B. No. 575**

The purpose of this bill is to discourage frivolous medical malpractice claims from being brought to court after a hearing by the Medical Claims Conciliation Panel (MCCP) by:

- (1) Requiring claimants who reject the MCCP's award of damages and pursue litigation, to pay the health care provider's attorneys' fees, costs, and cost of the provider's time, unless the litigation results in an award of more than 200 percent of the MCCP's award; and
- (2) Requiring claimants who reject the panel's finding of no negligence and pursue litigation to pay the attorneys' fees and costs of all defendants, unless the result of litigation is a judgment in favor of the claimant.

The Hawaii Medical Association and Hawaii Association of Health Plans supported this bill. The Department of Commerce and Consumer Affairs (DCCA), Hawaii Association for Justice, and a concerned individual submitted comments.

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



- (1) Inserting provisions that:
  - (A) Establish the Medical Claim Conciliation Office in DCCA and the positions of Executive Director and Hearing Officer;
  - (B) Direct the Hearing Officer to conduct hearings on medical claims in accordance with the Administrative Procedure Act; and
  - (C) Make opinions issued by the hearing officer binding upon the parties;
 and
- (2) Making technical, nonsustantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 505 Health on H.B. No. 1784**

The purpose of this bill is to protect physicians and allow medical malpractice carriers to better predict the amount of claims and losses enabling them to stabilize the medical malpractice insurance market by:

- (1) Allowing for more flexible claims on economic damages;
- (2) Providing a cap on attorney's fees paid out of a claimant's award in a medical malpractice suit;
- (3) Setting a cap on non-economic damages of \$750,000 aggregate and \$250,000 per physician, healthcare provider, healthcare facility, and any other involved parties; and
- (4) Providing for an increase in non-economic damages of up to \$3,000,000 in cases of gross negligence.

The Administration, the Department of Health, the Department of Commerce and Consumer Affairs (DCCA), the Hawaii Medical Association, the Hawaii Association of Health Plans, the National Federation of Independent Business, the League of Women Voters Hawaii, and numerous concerned individuals supported this bill. The Hawaii Association for Justice and a concerned individual opposed this measure. Several concerned individuals submitted comments.

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

- (1) Making the cap on economic damages applicable only for physician specialists board certified in emergency medicine, neurological surgery, obstetrics and gynecology, orthopedic surgery, or surgery (Physician Specialists).
- (2) Requiring a 25 percent rollback on medical malpractice insurance premiums for the Physician Specialists;
- (3) Requiring DCCA to submit a report to the Legislature prior to the 2013 Regular Session on the effects of the noneconomic damages cap and the insurance rollback for the Physician Specialists;
- (4) Repealing the noneconomic damages cap and the insurance rollback for Physician Specialists on July 1, 2014;
- (5) Requiring a health care provider to disclose to patients adverse events relating to their medical treatment;
- (6) Requiring the Hawaii Medical Board to collect and publish information about physicians licensed in the state to allow consumers to make informed decisions in selecting physicians; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1784, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 506 Health on H.B. No. 1211**

The purpose of this bill is to prevent licensees in the dental industry from presenting false claims of expertise in dental specialties by authorizing the Board of Dental Examiners (BDE) to sanction licensees for false or misleading advertising.

The Hawaii Dental Association and a concerned individual supported this bill. BDE opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1211 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 507 Health on H.B. No. 124**

The purpose of this bill is to:

- (1) Provide opportunities for health science and education students at the University of Hawaii at Manoa to participate in interdisciplinary teams at rural sites with faculty and community members; and
- (2) Address the shortage of health professionals in underserved rural communities in the state through the continued support of the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program (Program).

The Program, Hawaii Medical Service Association, Na Pu'uwai Native Hawaiian Health Care System, and numerous concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 508 Health on H.B. No. 1369**

The purpose of this bill is to ensure access to medical care on Oahu's neighbor islands by establishing a loan repayment program and housing stipend program for University of Hawaii medical school graduates practicing in counties with a population of less than 500,000 for a minimum of six years.

The Chamber of Commerce of Hawaii and Hawaii Medical Service Association supported this bill.

Your Committee has amended this bill by:

- (1) Setting the maximum annual amount of the housing stipend at an amount in accordance with rules adopted by the Board of Regents;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1369, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1369, H.D. 1.

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

**SCRep. 509 Health on H.B. No. 695**

The purpose of this bill is to stabilize our health care industry by requiring the State Health Planning and Development Agency to determine the need for new health services proposed to be offered within the state and assess existing health care services and facilities to find if there are redundant, excessive, or inappropriate services or facilities.

The League of Women Voters supported this bill. The Association for Improved Healthcare on Maui opposed this measure. The Department of Health submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 695 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 510 Health on H.B. No. 896**

The purpose of this bill is to continue to regulate the sale of tobacco by making permanent the retail tobacco permit law that was established in Act 131, Session Laws of Hawaii 2005.

The Department of Taxation, Attorney General, Coalition for a Tobacco Free Hawaii, American Heart Association of Hawaii, Hawaii Food Industry Association, American Lung Association in Hawaii, and American Cancer Society Hawaii Pacific, Inc. supported this bill. The Retail Merchants of Hawaii opposed this bill.

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

Signed by all members of the Committee.

**SCRep. 511 Human Services/Health on H.B. No. 1284**

The purpose of this bill is to ensure access to medical care by making certain that health care payments made with state funds are sufficient to cover the actual costs of care. This bill makes an appropriation to increase the payment for physician services for Medicaid-eligible individuals.

The Hawaii Medical Association, Occupational Therapy Association of Hawaii, and League of Women Voters of Hawaii testified in support of this bill. The Department of Human Services (DHS) testified in opposition to this measure.

Your Committees note that while DHS believes this measure has merit, it would not be prudent to pursue enactment at this time given current fiscal difficulties. DHS added, however, that should this bill move forward, it should be amended to include QUEST Expanded Access plans, given that a large number of aged, blind, and disabled Medicaid recipients have transitioned into it.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1284 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 512 Human Services on H.B. No. 1354**

The purpose of this bill is to ensure that all children have the opportunity to grow into successful, well-adjusted adults by appropriating general funds and Temporary Assistance for Needy Families funds for the Healthy Start and Enhanced Healthy Start programs to address budgetary shortfalls and implement recommended improvements.

The Hawaii Association for the Education of Young Children and many concerned individuals testified in support of this bill. The Department of Human Services (DHS) testified in opposition to this measure.

The national Healthy Families America program model drew extensively from the research, knowledge, and experience of Hawaii's Healthy Start program which began as a demonstration child abuse prevention project in 1985 and was expanded into a statewide program in the fall of 2001. Currently, the Healthy Start program offers focused support services within a family's natural environment designed to reduce the likelihood of child maltreatment. These services include providing linkages with community resources, early childhood education, family literacy programs, employment assistance, and providing parents with child development information, positive parenting skills, and problem-solving techniques.

Your Committee notes that while several of the front-end services provided by the Healthy Start program are akin to programs under DHS jurisdiction, Healthy Start itself is administratively under the Department of Health and therefore should be included in the allocation of funds.

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

- (1) Adding additional provisions and appropriations to ensure the Healthy Start and Enhanced Healthy Start programs can continue to provide necessary services to Hawaii's families; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1354, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 513 Housing on H.B. No. 351**

The purpose of this bill is to appropriate funds to the Hawaii Public Housing Authority (HPHA) for required repairs and renovations at public housing facilities to ensure compliance with state and federal law.

The Office of Hawaiian Affairs, Hawaii Disability Rights Center, and a concerned individual testified in support of this bill. HPHA supported the intent of this measure.

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

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

**SCRep. 514 Housing on H.B. No. 1232**

The purpose of this bill is to require a portion of all residential property developed on state lands to be sold as affordable leasehold property and to make resale of affordable homes developed and sold by the Hawaii Housing Finance and Development Corporation (HHFDC) subject to a maximum resale price.

The Office of Hawaiian Affairs, the University of Hawaii Professional Assembly, and UniDev Hawaii, LLC testified in support of this bill. HHFDC opposed this measure. The Hawaii Community Development Authority offered comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1232 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 515 Housing on H.B. No. 1592**

The purpose of this bill is to establish under the Hawaii Housing Finance and Development Corporation (HHFDC) a program for the leveraging of union financing for affordable housing projects.

HHFDC testified in opposition to this bill. The Department of Budget and Finance and Department of the Attorney General provided comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1592 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 516            Housing on H.B. No. 1044**

The purpose of this bill is to facilitate the collection of the shared appreciation equity lien, deferred sales price lien, and excess proceeds in lieu of any buyback, imposed by the State on the sale of affordable housing properties that received assistance from the Hawaii Housing Finance and Development Corporation (HHFDC) that are undergoing foreclosure, by, among other things:

- (1)        Requiring 45-day notice to HHFDC before mortgage foreclosure proceedings are commenced;
- (2)        Requiring purchasers to obtain HHFDC's written consent before refinancing real property during the time restrictions on transfers are applicable; and
- (3)        Clarifying that shared appreciation equity liens run with the land, are priority liens, and may be paid at any time after recordation of the sale.

HHFDC, the Department of Community Services of the City and County of Honolulu, and many concerned individuals testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1044, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, C. Lee, Luke, Sagum and Ching.

**SCRep. 517            Energy & Environmental Protection on H.B. No. 426**

The purpose of this bill is to reduce Hawaii's dependence on imported fossil fuels and encourage sustainability through the use of renewable or efficient energy systems by authorizing the issuance of \$30,000,000 in special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC, in the design and construction of its seawater air conditioning district cooling project.

The Honolulu Seawater Air Conditioning, LLC, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, Herkes, Luke and Sagum.

**SCRep. 518            Energy & Environmental Protection on H.B. No. 1484**

The purpose of this bill is to encourage responsible environmental stewardship by removing the fee cap for air pollutant emissions which currently acts as a disincentive to large polluters to reduce pollution.

The Sierra Club-Hawaii Chapter and Blue Planet Foundation testified in support of this measure. The Department of Health provided comments.

Your Committee finds that with the removal of the fee cap about \$230,000 in additional revenues would be collected depending on the actual amount of pollutants emitted by the affected sources. Revenues go into the Clean Air Special Fund which are used to administer the air pollution permit program requirements, with restricted uses under federal law.

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

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

**SCRep. 519            Energy & Environmental Protection on H.B. No. 279**

The purpose of this bill is to support the renewable energy industry in Hawaii by:

- (1)        Establishing a Renewable Energy Branch of the Department of Business, Economic Development, and Tourism (DBEDT) to coordinate and promote renewable energy initiatives;
- (2)        Strengthening laws supporting energy diversification, renewable energy resource development, and indigenous energy resource development; and
- (3)        Providing adequate resources to DBEDT.

DBEDT testified in support of this measure. Blue Planet Foundation supported this bill with amendments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 279, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, Herkes, Luke and Sagum.

**SCRep. 520 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 1807**

The purpose of this bill is to allow the Director of Health to use funds from the federal American Recovery and Reinvestment Act of 2009 and other applicable federal Acts to provide financial assistance for the construction of necessary drinking water infrastructure projects for public water systems and necessary wastewater infrastructure projects for publicly-owned wastewater treatment works.

The Department of Health and Department of Environmental Services of the City and County of Honolulu supported this bill.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1807, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, Herkes, Luke and Sagum.

**SCRep. 521 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 285**

The purpose of this bill is to encourage the research of wave and ocean thermal energy as renewable energies by directing the Department of Business, Economic Development, and Tourism (DBEDT), Department of Land and Natural Resources (DLNR), and Public Utilities Commission (PUC) to provide any necessary assistance and expedite any request for permits or other approvals required by the Hawaii Natural Energy Institute and the Hawaiian Electric Company utility companies in:

- (1) The development of the clean energy scenario plan; and
- (2) The identification and designation of one or more renewable energy zones for wave energy conversion platforms,

for the development of commercial sources of wave energy for electric consumers on Oahu.

DBEDT, DLNR, SG2 Americas, LLC, Re vision Consulting, LLC, Wavebob, LLC, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Life of the Land, Blue Planet Foundation, Natural Power Concepts, Wavegen, and several concerned individuals testified in support of this bill.

Your Committees have amended this bill by:

- (1) Removing PUC as one of the agencies directed to carry out the provisions of the bill;
- (2) Specifying that DBEDT and DLNR are directed to provide coordination for permits or approvals, rather than expedite such requests;
- (3) Expanding the provisions of the bill to apply to permits or approvals required by any Hawaii utility company, rather than just the Hawaiian Electric Company utility companies;
- (4) Expanding the identification and designation of renewable energy zones to waters of the State of Hawaii, rather than just the waters around Oahu;
- (5) Providing for the identification and designation of renewable energy zones for wave energy conversion platforms or hubs, rather than only platforms;
- (6) Specifying that the purpose of establishing wave energy conversion platforms or hubs is to develop wave energy, generally rather than commercially, as a renewable energy source for the state; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 285, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 285, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes and Luke.

**SCRep. 522 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 834**

The purpose of this bill is to revise the State's water quality standards for bacteria in marine recreational waters and for two toxic pollutants, chlordane and dieldrin, to conform to federal standards consistent with the recommendations of the Department of Health and the United States Environmental Protection Agency.

Specifically, this bill updates the water quality standards for chlordane and dieldrin to conform to current national criteria recommended by the Environmental Protection Agency. This bill also sets limits for enterococcus content in samples taken in coastal recreation waters.

Your Committees received testimony in support of this measure from the Department of Health, the Mayor and Deputy Director of the Department of Environmental Services of the City and County of Honolulu, and the Director and one researcher of the University of Hawaii Water Resources Research Center. Testimony in opposition was received from the Office of Hawaiian Affairs, Sierra Club, and Hawaii's Thousand Friends. One concerned individual submitted comments.

Your Committees find that the Department of Health has acknowledged that the State's water quality standards need to be updated. The existing water quality standards for toxic pollutants are based on outdated Environmental Protection Agency criteria from nearly thirty years ago. In addition, the Department of Health studied and proposed amendments to the enterococcus standards that are reflected in this bill, as noted in the executive summary of the proposed amendments to chapter 11-54, Hawaii Administrative Rules, relating to water quality standards, dated April 11, 2005. The Hawaii chapters of the Sierra Club and the Surf Rider Foundation supported these 2005 proposed rule amendments.

The water quality standards for toxic pollutants are numeric values for pollutant concentrations in ambient waters considered to be protective of human health. These criteria are based solely on data and scientific judgments on the relationship between pollutant concentrations and environmental and human health effects.

Federal law requires that the Environmental Protection Agency periodically revise criteria for water quality to accurately reflect the latest scientific knowledge about the kind and extent of identifiable effects on human health from the presence of pollutants in any body of water. In accordance with the Federal Register announcement on November 3, 2000, the Environmental Protection Agency announced the availability of final revisions to the Methodology for Deriving Ambient Water Quality Criteria for the Protection of Human Health (2000) ("2000 Human Health Methodology"). These revisions were prompted by the many significant scientific advances that had occurred during the past twenty years in such key areas as cancer and non-cancer risk assessments, exposure assessments, and bioaccumulation assessments. Based on these scientific improvements, the Environmental Protection Agency released updated ambient water quality criteria in National Recommended Water Quality Criteria: 2002, which continue to be in effect. Federal regulations specifically allow states to adopt such numeric criteria.

When developing the numeric standards for toxic pollutants in 1990, the Department of Health derived its standards from the Guidelines and Methodology published by the Environmental Protection Agency in November 1980. However, the Department has not updated its toxic standards since then.

The Department of Health testified in support of adopting the current Environmental Protection Agency recommended criteria for toxic pollutants, with a limited exception for certain metals. The Department testified that these federally recommended toxic pollutant criteria provide substantial and sufficient public health protection and are developed with nationwide resources and expertise that cannot be matched at the state level.

Your Committees find that the rationale for these amended standards, which have been publicly posted and available since 2005, remain valid for the adoption of the proposed revised enterococcus standards.

Your Committees find that legislative action is necessary, however, because although the Department of Health has acknowledged its obligation to review and modify the state water quality standards every three years and that such a review is overdue, the Department testified that it will not be able to adopt the updated standards in the near future and that legislative action would be more expedient. Your Committees further find that the water quality standards for the indicator organism enterococcus have been pending since 2005. Moreover, the delay in updating and correcting these existing outdated water quality standards has adverse consequences for the residents of the City and County of Honolulu, as the City continues to be held, in litigation and by the Environmental Protection Agency, to standards that may no longer be appropriate.

Because water quality standards that are based on the best available science and data are of utmost importance to the State, your Committees recommend certain amendments to facilitate ongoing discussions between the Department of Health and interested and affected parties on how best to proceed and ensure the protection of the health, safety, and welfare of the public. Therefore, your Committees have changed the effective date to January 1, 2050, to facilitate further discussion.

Accordingly, your Committees have amended this bill by:

- (1) Adding clarifying language to the purpose clause and the effective date sections concerning the effect of state review and adoption of state water quality standards and federal approval;
- (2) Deleting the chlordane and dieldrin standards and replacing them with criteria for all priority and non-priority pollutants and providing that, when there is no nationally recommended criterion promulgated for a priority or non-priority pollutant, relevant provisions in chapter 11-54, Hawaii Administrative Rules, relating to that pollutant shall not be repealed or deemed inconsistent and shall remain in effect;
- (3) Adding a provision that, at locations where samples are taken less frequently than five samples for each twenty-five to thirty days, no single sample shall exceed the single sample maximum nor shall the geometric mean of these samples taken during the twenty-five to thirty-day period exceed thirty-five colony forming units per one hundred milliliters;
- (4) Changing the effective date from upon approval to January 1, 2050; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 834, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 834, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, C. Lee and Ching.  
(Representative Thielen voted no.)

### **SCRep. 523 Consumer Protection & Commerce on H.B. No. 1362**

The purpose of this measure is to establish a licensure program for genetic counselors within the Department of Commerce and Consumer Affairs to ensure that individuals seeking genetic counseling receive the highest degree of quality services and professional conduct from licensed genetic counselors. The measure also provides penalties for non-compliance.

Two professors of pediatrics, of the University of Hawaii John A. Burns School of Medicine, Neonatology Division, and Kapiolani Medical Specialists, the Hawaii Chapter of the March of Dimes, and numerous medical professionals including many physicians, genetic counselors, and other health care providers in the genetic counseling arena provided comments in support of the measure. The Department of Commerce and Consumer Affairs submitted testimony in opposition to the measure.

Genetic counselors are frequently the primary providers of genetic information and counseling to pregnant women whose babies may be at risk for birth defects or other genetic conditions. They also are the primary providers of risk assessment for men and women with cancer or a family history of cancer. Genetic counselors assist in the evaluation and management of both children and adults with heritable conditions.

Currently, genetic counselors have a difficult time being supported by hospitals and clinics. Although the American Medical Association approved a Current Procedural Terminology code for genetic counselors, the code can only be used by licensed professionals. Thus, genetic counselors and

health care providers who employ them cannot be reimbursed by third party payors for the services they provide to patients. This threatens the availability of genetic counseling services in the State.

Establishing a licensure program will ensure that genetic counselors are highly skilled and also allow them to be reimbursed for their services as an integral part of a patient's healthcare team, similar to physicians and nurses. In addition, a licensing program would help attract new genetic counselors to practice in the State, where there are currently not enough physicians who are trained in genetics to provide the genetic services and counseling needed by Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 524 Consumer Protection & Commerce on H.B. No. 429**

The purpose of this measure is to direct the Public Utilities Commission to establish energy efficiency portfolio standards.

More specifically, this measure seeks to reduce the State's electricity use by requiring the Public Utilities Commission to establish energy efficiency portfolio standards that set goals and deadlines for achieving the electricity reduction. The Public Utilities Commission is also required to establish performance incentives and penalties.

Your Committee finds that the Hawaii Clean Energy Initiative was designed to convert the State's energy system into one that uses renewable energy and energy efficient technologies to meet a large part of the State's energy needs. This measure supports the Initiative by setting goals for the State to increase energy efficiency. Ultimately, the energy efficiency portfolio standards are designed to achieve a reduction of four thousand three hundred gigawatt hours of electricity.

The Department of Commerce and Consumer Affairs, Sierra Club Hawaii Chapter, Blue Planet Foundation, and the Hawaiian Electric Company, Inc. testified in support of the measure. Testimony in opposition was received from the Hawaii Renewable Energy Alliance. The Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of the measure. The Public Utilities Commission submitted comments.

Your Committee amended this measure by changing the effective date to January 1, 2020, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 429, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 429, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 525 Tourism, Culture, & International Affairs/Agriculture on H.B. No. 1471**

The purpose of this bill is to promote local agriculture, particularly in the visitor and hospitality industries, by:

- (1) Requiring the Hawaii Tourism Authority (HTA) to plan and implement a food certification pilot program (Pilot Program) to encourage the formation of agricultural cooperatives and coordinate purchasing agreements with buyers in the visitor and hospitality industries; and
- (2) Establishing the Food Certification Pilot Program Special Fund (Special Fund) and appropriating \$160,000 to the Special Fund for purposes of the Pilot Program.

Armstrong Produce, Alluvion, Kyo-ya Management Company, Ltd., the Hawaii Agriculture Research Center, and several concerned individuals testified in support of this bill. The University of Hawaii System and Hawaii Hotel and Lodging Association supported the intent of this measure. HTA opposed this bill. The Department of Agriculture (DOA) provided comments.

Your Committees note that the Pilot Program in this measure could be valuable to other entities, and encourages these entities that are interested in consuming locally grown agricultural products to track the progress of the Pilot Program.

Your Committees have amended this bill by:

- (1) Removing the Pilot Program from HTA and placing it in DOA;
- (2) Expanding the Pilot Program to include all farmers, not only small farmers;
- (3) Clarifying the types of funds that can be deposited into the Special Fund;
- (4) Appropriating funds from general revenues, instead of the Tourism Special Fund, to the Special Fund;
- (5) Specifying that the Pilot Program ends on June 30, 2011;
- (6) Changing the effective date to July 1, 2110, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1471, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 526            Transportation on H.B. No. 1161**

The purpose of this bill is to conform state law to federal commercial driver licensing laws by prohibiting the court-issuance of a hardship license for commercial driver's type licenses.

The Department of Transportation (DOT) testified in support of this bill.

Currently, drivers are allowed to obtain what are known as "hardship licenses," that authorize an individual to drive for limited work-related purposes. However, to meet federal regulations, Hawaii's law needs to clarify that "hardship licenses" are not authorized for an individual's commercial driver's license.

Your Committee notes that, according to DOT, failure to meet these requirements could result in the loss of approximately \$4,600,000 in federal-aid highway funds for the first year of non-compliance and \$9,300,000 per year thereafter, which may impact Hawaii's highway fund. This bill will address those concerns.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1161 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 527            Transportation on H.B. No. 1162**

The purpose of this bill is to improve highway safety and comply with federal regulations regarding commercial driver's licenses by:

- (1) Increasing the maximum fine to \$25,000 for an employer convicted of allowing a driver, the commercial motor vehicle the driver is driving, or the motor carrier operation, that is subject to an out-of-service order to operate;
- (2) Prohibiting any individual from driving a commercial motor vehicle in violation of an out-of-service order; and
- (3) Establishing or increasing penalties for drivers convicted of operating a commercial motor vehicle:
  - (A) In violation of an out-of-service order;
  - (B) With alcohol in the body; and
  - (C) With a blood alcohol content of .04.

The Department of Transportation testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1162 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 528            Transportation on H.B. No. 1169**

The purpose of this bill is to increase highway safety by making it mandatory for an operator of a moped or motor scooter, and any passenger on a motor scooter, to wear a safety helmet with a chin strap while riding on any highway.

The Department of Transportation, Department of Health, Injury Prevention Advisory Committee, Keiki Injury Prevention Coalition, Brain Injury Association of Hawaii, Mothers Against Drunk Driving HAWAII, State Farm Mutual Automobile Insurance Company, and concerned individuals testified in support of this bill. Street Bikers United and concerned individuals testified in opposition to this measure.

The National Highway Traffic Safety Administration estimates that a person operating a motor scooter or moped without a safety helmet is 40 percent more likely to suffer a fatal head injury if involved in an accident. Thus, safety helmets are the most effective means of reducing head injuries caused by these accidents. Head injuries not only affect the injured rider but also have a tremendous impact on the finances of the rider's family and an impact on the entire healthcare system. Medicare, Medicaid, and Hawaii's Quest programs are estimated to incur an average of 22.5 percent of the charges for head injuries related to moped, motor scooter, and motorcycle crashes. By requiring the use of helmets on moped and motor scooter riders, not only will there be positive fiscal implications, but lives may be saved.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1169 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 529            Transportation on H.B. No. 1190**

The purpose of this bill is to enhance traffic safety and assist police in expediting the investigation of fatal traffic accidents by requiring the police departments of each county to:

- (1) Identify the roadways, or class of roadways, most critical to the free movement of persons and commerce; and
- (2) Establish protocols necessary to coordinate major accident investigations with law enforcement and other authorities having jurisdiction over the location of a major traffic accident.

Two individuals testified in support of this bill.



Major accidents, especially ones that include fatalities, often result in the conducting of on-site investigations of the accident. These on-site investigations and their resulting lane closures can last for several hours and cause numerous problems for commuters, with recent traffic-incident investigations having caused delays lasting from two to eight hours. Coordinating major accident investigations between law enforcement and other agencies, including the medical examiner's office in cases of fatal traffic accidents, may help alleviate this problem and allow for the speedier restoration of normal traffic flow.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1190 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 530            Transportation on H.B. No. 1386**

The purpose of this bill is to simplify documentation requirements for vehicles being shipped between islands by providing certain vehicle identification requirement exemptions when vehicles are transported between islands.

Young Brothers, Limited, testified in support of this bill. Catrala-Hawaii testified in opposition to this measure.

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, as well as 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. Many times vehicles being shipped interisland via a barge service are owned by businesses or banks holding a lien on a vehicle, and obtaining a notarized letter is both problematic and inconvenient. Nevertheless, under current law, notarized letters must be provided to interisland barge operation officials before the vehicle is allowed to be shipped interisland.

Your Committee finds that the requirement for the provision of a notarized letter was intended to prevent illegal shipping of stolen vehicles between islands. However, current procedures including identifying a vehicle through its vehicle identification number, make, model, year, and color, serve as a sufficient deterrent for the shipment of stolen vehicles on an interisland barge. As a similar exemption was previously provided to persons shipping vehicles via an interisland ferry, your Committee finds that providing this exemption to an interisland barge service deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1386 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 531            Transportation on H.B. No. 1445**

The purpose of this bill is to increase bicycle safety by requiring the Department of Transportation (DOT) to incorporate shared lane markings as a new traffic control device.

Two individuals testified in support of this bill. DOT opposed this measure.

As the use of bicycles as an alternative mode of transportation increases, Hawaii's roadways should be made safer for bicyclists. Reducing the number and severity of bicycle crashes with vehicles is possible through the use of "shared lane markings" which are pavement markings set in a roadway that indicate the legal and appropriate bicyclist line of travel. These markings also alert motorists to pass with sufficient clearance and be cognizant of possible bicycle activity in an area.

Although your Committee understands the concerns raised by DOT regarding the circumvention of the Federal Highway Administration's established process to incorporate new traffic control devices and applications in the Manual on Uniform Traffic Control Devices, the importance of increasing highway safety for bicyclists deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1445 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 532            Transportation on H.B. No. 1697**

The purpose of this bill is to increase bicycle and moped registration fees from \$15 to \$25.

A concerned individual testified in opposition to this bill.

Increasing bicycle fees may be a means of generating additional revenues that can be used to improve bicycling facilities and conditions statewide that can make bicycling a viable alternative mode of transportation in Hawaii. Although no testimony was received in support of this measure, your Committee finds that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1697 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 533            Transportation on H.B. No. 144**

The purpose of this bill is to work toward decreasing Hawaii's dependence on imported oil while protecting our environment from harmful emissions by offering an alternative means of transportation by allowing medium-speed electric vehicles to be operated on roads with a posted speed limit of 45 miles per hour or less.

The Sustainable Transport Club and numerous concerned individuals testified in support of this bill. The Department of Transportation (DOT), Department of Customer Services of the City and County of Honolulu (DCS), and a concerned individual testified in opposition to this measure.

Hawaii is heavily dependent on imported oil for its energy needs. One way to reduce some of this dependence of imported oil is to facilitate the increased use of electric vehicles. While Low-Speed Electric Vehicles (LSEV) are currently allowed to be operated on Hawaii's roadways, they are restricted to operating at speeds of 25 mph on roads with posted speed limits of 35 mph or less. Thus, LSEVs are not very desirable for use by the general public as an alternative means of transportation. While LSEVs can be modified to obtain maximum speeds of 35 mph at which point they would be called Medium-Speed Electric Vehicles (MSEV), this class of vehicle does not exist in either federal or Hawaii law. Establishing parameters that allow for the use of MSEVs on Hawaii's roadways will go a long way to decreasing our dependence on foreign oil and protecting Hawaii's environment from harmful emissions.

Although your Committee understands the concerns raised by both DOT and DCS regarding the lack of federal regulations of MSEVs and that the National Highway Traffic Safety Administration denied a petition for rulemaking that would establish this new class of vehicle, this measure deserves further consideration and discussion.

Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2010. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 144, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

#### **SCRep. 534            Transportation on H.B. No. 1696**

The purpose of this bill is to assist the motor vehicle rental industry by:

- (1) Changing the term "collision damage waiver" to "damage waiver" to clarify that the waiver applies to any type of damage and not simply damage from a collision;
- (2) Allowing motor vehicle lessors to place information relating to damage waivers in wall holders;
- (3) Requiring lessors to notify lessees of Hawaii's motor vehicle laws by simply posting a sign or signs in a conspicuous place in the main rental area of each rental location instead of in each rental vehicle;
- (4) Prohibiting a lessor from charging more than the cost of the parts and labor necessary to repair a damaged vehicle in accordance with the standard practice of the automobile repair industry; and
- (5) Repealing the requirement that motor vehicle lessors provide the Director of Commerce and Consumer Affairs with information relating to collision damage waiver statistics.

Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, and Vanguard Car Rental USA, Inc., dba National Car Rental and Alamo Rent A Car testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) testified in opposition to this measure.

Currently, the rental motor vehicle industry must meet certain requirements when notifying individuals renting motor vehicles about Hawaii's motor vehicle laws and collision damage waiver information. This measure simplifies the method by which this information is provided.

This measure also clarifies that a "collision damage waiver" applies to all types of damage a vehicle may sustain while it is being rented. This will avoid any misunderstanding by lessors that a "collision damage waiver" only applies to damages caused by impact with an object.

Finally, this bill attempts to resolve difficulties in determining the diminution in the value of a vehicle that is not repaired or declared a total loss by the lessor that may be considered a per se violation of unfair trade practices by the lessor. Using an estimated cost of repair of the damaged vehicle, as provided for in this measure, would be a more equitable way to value the loss experienced by the lessor from the damaged vehicle.

However, your Committee understands the consumer protection concerns raised by DCCA and notes that the motor vehicle rental industry and DCCA are amenable to working together to draft amended language that is acceptable to both parties. This amended language will be provided to the Committees on Consumer Protection and Commerce and Judiciary for further consideration.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1696, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Takumi.

#### **SCRep. 535            Transportation on H.B. No. 1462**

The purpose of this bill is to ensure that adequate and proper highway infrastructure is in place prior to residential development by requiring counties to certify that all county and state highways that are or will be contiguous to a residential development have been completed, or are under construction, as a condition to the issuance of any grubbing, grading, or building permit for any portion or phase of the residential development.

The Hawaii Developers Council and Land Use Research Foundation of Hawaii testified in opposition to this bill.

New residential development requires transportation infrastructure for that project to be feasible. Oftentimes, government land use planning dictates the construction of infrastructure while market forces dictate the development of these residential areas. Requiring government construction of highway infrastructure to be in progress or completed prior to the permitting for these residential developments is approved may be a way to ensure that this infrastructure is available to accommodate the new development.

Although no testimony was received in support of this bill, your Committee finds that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1462 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Housing.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 536 Water, Land, & Ocean Resources on H.B. No. 939**

The purpose of this bill is to balance the increased cost of development and streamlining the permit process with the need to protect the environment.

This bill increases the valuation of developments that require special management area (SMA) minor permits to \$250,000 to reflect the increase in the costs of construction, while maintaining the protection of the environment.

Currently, an SMA minor permit is required for a development:

- (1) With a valuation not in excess of \$125,000; and
- (2) With no substantial adverse environmental or ecological impacts.

Developments with greater valuations or that may have substantial adverse environmental or ecological impacts require SMA use permits.

Hawaiian Telcom, Maui Contractors Association, and several individuals testified in support of this bill. An individual supported this bill with amendments. The Office of Hawaiian Affairs, Hawaii's Thousand Friends, Sierra Club, Hawaii Chapter, and an individual opposed this measure. The Department of Business, Economic Development, and Tourism and two individuals offered comments.

Your Committee finds that this threshold was last adjusted in 1991.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 939 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.  
(Representatives Coffman, C. Lee and Thielen voted no.)

**SCRep. 537 Water, Land, & Ocean Resources on H.B. No. 1040**

The purpose of this bill is to enhance public safety through a partnership between the State and counties to provide county lifeguard services at state beach parks. This bill makes permanent the law shielding county lifeguards from liability while providing rescue, resuscitation, and other lifeguard services on the beach or in the ocean.

The Department of Land and Natural Resources, the Department of the Attorney General, the Hawaii Council of Mayors, the County of Hawaii Office of the Corporation Counsel, the County of Hawaii Fire Department, the City and County of Honolulu, the City and County of Honolulu Emergency Services Department, the Hawaii Government Employees Association, and two concerned individuals testified in support of this bill. The County of Kauai Fire Department supported this measure with amendments. The Hawaiian Lifeguard Association supported the intent of this bill. The Hawaii Association for Justice opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1040 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

**SCRep. 538 Water, Land, & Ocean Resources on H.B. No. 980**

The purpose of this bill is to provide a comprehensive solution to the repair and maintenance of the recreational facilities to allow residents and visitors to enjoy the natural resources of the state. Specifically, this bill:

- (1) Creates a Recreational Renaissance Special Fund (Fund);
- (2) Authorizes small boat harbor moorage fees and tariffs to be set by appraisal, and fees to be increased to better support ongoing operations and maintenance at boats and parks;
- (3) Authorizes the development of Keehi Lagoon as a long-term source of revenue to support park and conservation activities at the Department of Land and Natural Resources (DLNR), by:
  - (A) Authorizing the Aloha Tower Development Corporation to develop facilities for the Keehi Small Boat Harbor and Triangle Island;
  - (B) Providing that the Board of Land and Natural Resources (Board) may in designating public lands as an industrial park, may include existing roadways providing access to the area; and

- (C) Exempting selection of a developer for an industrial park to be developed as a joint venture between the Board and another government or private agency, from the bid and request for proposals procedures of the procurement code;
- (4) Authorizing a limited number of commercial vessels to be moored at the Ala Wai and Keehi Boat Harbors and allowing utility and common area maintenance fees to be assessed in small boat harbors;
- (5) Providing that if projects paid for under the appropriations made under Act 118, Session Laws of Hawaii 2006, to cover the costs of recovery and remediation efforts due to the storms in February and March 2006, become eligible for federal reimbursement, those reimbursements are to be paid into the Fund;
- (6) Provides for improvements to specific water- and land-based recreational facilities; and
- (7) Appropriating \$3,000,000 out of the Fund to implement the purposes of the Fund.

DLNR, the Department of Business, Economic Development, and Tourism, Department of Transportation, The Nature Conservancy of Hawaii, Sierra Club-Hawaii Chapter, Historic Hawaii Foundation, Diamond Head State Monument Foundation, Iolani Palace, Bishop Museum, Waikiki Yacht Club, Society for Hawaiian Archaeology, PAHIO Development, Inc., Hawaii Rifle Association, and several concerned individuals testified in support of this bill. The Hawaii Audubon Society supported the intent of this measure. The Kuliouou/Kalani Iki Neighborhood Board #2, Hawaii's Thousand Friends, the Ala Wai Marina Community Association, and many concerned individuals opposed this bill. Aloha Tower Development Corporation, Ocean Law & Policy Institute of the Pacific Forum CSIS, Livable Hawaii Kai Hui, Waikiki Beach Catamaran Owners Association, Ocean Tourism Coalition, League of Women Voters, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Changing the amounts of general obligation bond funds referenced in the purpose section of the bill to unspecified amounts;
- (2) Providing in the purpose section of the bill that the development of industrial space at Keehi Lagoon is contingent on DLNR being able to obtain federal approval to substitute alternative mitigation projects for the area, which has served as mitigation for the reef runway development;
- (3) Specifying the funds from which the DLNR director may transfer moneys into the Fund;
- (4) Specifying that DLNR may also deposit federal funds received as grants under the federal Wildlife Restoration Act for the maintenance of planned shooting ranges;
- (5) Reinserting the authorization for commercial catamarans with valid use permits and existing registration certificates to moor in Ala Wai boat harbor, which had been inadvertently deleted;
- (6) Authorizing the Board to designate mooring areas for commercial vessels within the Ala Wai and Keehi Boat Harbors that minimize the effects on the harbor and recreational boaters, instead of specifying which slips they may occupy;
- (7) Providing that commercial mooring areas in the Ala Wai and Keehi Boat Harbors be phased-in in such a way as to not permanently displace any existing recreational boaters or existing catamaran operators;
- (8) Authorizing, instead of requiring, DLNR to make improvements to water and land-based facilities;
- (9) Including boat ramp widening; dry dock area; public safety, security, and enforcement capacity to the improvements that DLNR is authorized to make for water-based facilities;
- (10) Including environmental restoration/mitigation; public safety, security, and enforcement capacity to the improvements that DLNR is authorized to make for land-based facilities;
- (11) Including the proposed Hawaii island public shooting range at Puu Anahulu game management area, proposed Hanahanapuni shooting range in Kauai, and the Ahihi-Kinau Natural Area Reserve in the list of locations that DLNR is authorized to make improvements to;
- (12) Basing the increase in mooring fees on any increases in consumer price indexes, instead of cost-of-living increases;
- (13) Removing the dollar amount of the appropriation from the Fund; and
- (14) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee finds that concern was expressed among some residents that for certain locations where DLNR is given authority to make improvements, the residents may not wish to see any development. However, the intent of your Committee is not to mandate development, but to authorize DLNR to make improvements that the community may benefit from. Accordingly, your Committee directs DLNR to gather public input through the Neighborhood Boards for the East Honolulu area, prior to making any improvements to the Ka Iwi shoreline area.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 980, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

**SCRep. 539 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1009**

The purpose of this bill is to ensure the proper use of designated important agricultural lands (IALs) on public lands that are transferred to the Department of Agriculture (DOA), by clarifying that these lands are subject to the same criteria and standards for identifying and designating IALs and have access to certain IAL incentives, provided that the incentives do not contradict or otherwise violate the conditions and requirements of Chapters 166 (relating to agricultural parks) and 166E (relating to non-agricultural park lands), Hawaii Revised Statutes (HRS), under which the DOA is to manage the IALs.

Specifically, this bill, among other things:

- (1) Creates an equivalent but separate class of lands known as "public lands designated as IALs" to differentiate from lands transferred to DOA under the Agricultural Park Program;
- (2) Authorizes the Board of Agriculture to determine which incentives or uses for IALs are to be made available to leases managed under Chapters 166 and 166E, HRS;
- (3) Extends the deadline for DOA and the Department of Land and Natural Resources (DLNR) to identify the public lands to be transferred from DLNR to DOA, from December 31, 2009, to June 30, 2010;
- (4) Provides for the staggered transfer of public lands from DLNR from June 30, 2011, to June 30, 2012; and
- (5) Exempts public lands designated as IALs from the requirement for periodic review and amendment of IALs maps.

DOA, Office of Planning, and Hawaii Agriculture Research Center testified in support of this bill. The Land Use Research Foundation of Hawaii opposed this measure. The Hawaii Farm Bureau Federation provided comments.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1009 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Herkes, C. Lee, Luke, McKelvey, Sagum, Wakai, Ching and Marumoto.

**SCRep. 540 Tourism, Culture, & International Affairs on H.B. No. 1763**

The purpose of this bill is to abolish the Hawaii Tourism Authority (HTA) and establish a Department of Tourism.

HTA, the Hawaii Hotel and Lodging Association, and Outrigger Hotels opposed this bill. The Department of Business, Economic Development, and Tourism (DBEDT) provided comments.

Your Committee recognizes that time should be allowed for a transition from HTA to the newly established Department of Tourism. Your Committee notes that an interagency working group should be formed to facilitate a smooth transition and concurs that the final form of this measure should allow for such a transition.

Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2012, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 541 Consumer Protection & Commerce on H.B. No. 1378**

The purpose of this bill is to increase access to health care by requiring insurers, mutual and fraternal benefit societies, and health maintenance organizations to recognize advanced practice registered nurses (APRN) as primary care providers. This measure also increases APRN signature and prescriptive authorities.

The University of Hawaii at Manoa School of Nursing and Dental Hygiene, Healthcare Association of Hawaii, Hawaii Primary Care Association, AARP-Hawaii, and numerous concerned individuals testified in support of this bill. The Hawaii State Center for Nursing and Walgreens supported the intent of this measure. The Hawaii Association of Health Plans, Hawaii Medical Association, Kaiser Permanente Hawaii, and several concerned individuals opposed this bill. The Department of Human Services, Department of Public Safety, Board of Nursing, Hawaii Association of Professional Nurses, Disability and Communication Access Board, Hawaii Government Employees Association, Hawaii Medical Service Association, and several concerned individuals provided comments.

This bill proposes to address problems in health care access, including physician shortages, by expanding the role of APRNs in the delivery of services. However, there are concerns regarding the extent to which this measure expands the scope of APRN practice. The question as to whether APRNs should be considered "primary care providers" should therefore be carefully explored.

Your Committee also recognizes there are concerns with amendments to this bill altering the APRN educational and certification requirements and changing the entity (Hawaii Medical Board or Board of Nursing) that determines the formulary of drugs that APRNs may prescribe. In light of these matters, your Committee notes the defective date in this bill and is moving it along for further consideration.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.  
(Representative Souki voted no.)

**SCRep. 542 Consumer Protection & Commerce on H.B. No. 1390**

The purpose of this bill is to provide prompt medical treatment for injured workers by:

- (1) Increasing the availability of medical care for injured workers; and
- (2) Encouraging more physicians to accept industrial accident claims.

Specifically, this bill increases the fee schedule of compensation for medical care in workers' compensation cases from 110 per cent to 150 per cent of the Medicare Resource Based Relative Value Scale system applicable to Hawaii as prepared by the United States Department of Health and Human Services.

The Hawaii Chapter – American Physical Therapy Association, Hawaii Medical Association, ILWU Local 142, and Hawaii State Chiropractic Association testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, City and County of Honolulu, American Insurance Association, Hawaii Insurers Council, State Farm Insurance Companies, GEICO, and Property Casualty Insurers Association of America opposed this measure. The Department of Commerce and Consumer Affairs offered comments.

Your Committee has amended this bill by blanking out the percentage of the Medicare Resource Based Relative Value Scale system applicable to Hawaii, on which the fee schedule of compensation for medical care in workers' compensation cases shall be based.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1390, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 543 Consumer Protection & Commerce on H.B. No. 811**

The purpose of this bill is to ease Hawaii's registered nurse licensure requirements for graduates of foreign nursing schools (Foreign Graduates) by requiring the Board of Nursing (Board) to have Foreign Graduates applying for licensure in Hawaii arrange for the applicant's school to send to the Board:

- (1) The "Breakdown of Educational Program for International Nursing Programs" form; and
- (2) A certified school transcript for the applicant, translated to English, if necessary.

This bill also removes the requirement that a Foreign Graduate's transcripts be evaluated by professional evaluators designated by the Board.

The National Federation of Filipino American Associations Region XII, the Filipino American Citizens League, the Oahu Filipino Community Council, the Filipino Coalition for Solidarity, the United Filipino Council of Hawaii, Nursing Advocates & Mentors, Inc., and several concerned individuals testified in support of this bill. The Board, the University of Hawaii at Manoa School of Nursing and Dental Hygiene, and several concerned individuals opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 811, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 811, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 544 Housing on H.B. No. 1045**

The purpose of this bill is to make housekeeping amendments to Chapter 201H, Hawaii Revised Statutes, to:

- (1) Clarify the authority of the Hawaii Housing Finance and Development Corporation (HHFDC) to modify and amend development agreements for housing projects between HHFDC'S predecessor, the Housing Finance and Development Corporation, and eligible developers;
- (2) Authorize HHFDC to impose fees to recoup program administrative expenses for loans, grants, services, and real estate documents; and
- (3) Delete inadvertent references to "public" housing projects in the context of the HHFDC's cooperative agreements with other governmental agencies.

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

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Herkes, C. Lee, Luke, Sagum and Ching.

**SCRep. 545 Agriculture on H.B. No. 1271**

The purpose of this bill is to encourage and support Hawaii's energy and food security initiatives by:

- (1) Establishing a Hawaii Energy and Food Security Task Force (Task Force) to review and investigate a broad range of energy and food security issues to ensure that the development of energy and food policy is integrated into the overall economic, social, environmental, and cultural fabric of the state;
- (2) Appropriating \$250,000 for fiscal year 2009-2010 and for fiscal year 2010-2011 out of the Energy Systems Development Special Fund (Special Fund) for the Task Force;

- (3) Renaming the existing Environmental Response Tax as the environmental response and energy and food security tax (Security Tax) and increasing the Security Tax from five cents to one dollar per barrel or fractional part of a barrel of petroleum product;
- (4) Specifying that 5 cents of the Security Tax on each barrel be allocated to address concerns relating to drinking water; and
- (5) Requiring that 2.5 cents of the Security Tax on each barrel be allocated to the Energy Systems Development Special Fund and that an unspecified amount of the Security Tax be used as provided by law.

The University of Hawaii at Manoa College of Social Sciences Public Policy Center, the Blue Planet Foundation, the Conservation Council for Hawaii, Enterprise Honolulu, The Nature Conservancy of Hawaii, the Hawaii Solar Energy Association, Sennet Capital, the Sierra Club, Hawaii Chapter, and several concerned individuals supported this bill. The Department of Taxation opposed this bill. Windward Ahupua'a Alliance, SunPower Systems Corporation, and Tax Foundation of Hawaii submitted comments.

Your Committee notes that concerns were raised regarding the ambiguity of the provision that requires an unspecified amount of the Security Tax to be used as provided by law. Your Committee respectfully recommends that future legislative efforts address this particular issue, including consideration of an amendment that would allocate this portion of the Security Tax to the general fund. In addition, your Committee notes there is a need to balance the benefits of enhancing energy and food security for the state while taking into account the potential adverse effects of a tax increase on petroleum. This measure represents a work-in-progress towards achieving this balance.

Furthermore, your Committee notes that the Hawaii 2050 Sustainability Plan included recommendations related to the subject matter of this bill. In compiling the report, the Hawaii 2050 Sustainability Task Force considered input provided by communities around the state. Your Committee recognizes the importance of community feedback in developing new approaches to addressing the issue of energy and food security.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2062, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1271, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1271, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey and Wakai.  
(Representative Marumoto voted no.)

**SCRep. 546 Consumer Protection & Commerce on H.B. No. 655**

The purpose of this bill is to expand access to prescription medications by allowing remote dispensing pharmacies (RDP) located on islands without pharmacies to:

- (1) Provide medications to patients with any health insurance coverage;
- (2) Dispense controlled substances until such time that a pharmacy is subsequently established on the same island; and
- (3) Continue operating in the same location if a pharmacy is subsequently established on the same island.

The Department of Human Services, Department of Public Safety, Board of Pharmacy, Kaiser Permanente Hawaii, Hawaii Medical Service Association, Hawaii Primary Care Association, and several concerned individuals testified in support of this bill. Walgreens supported the intent of this measure.

Certain residents have limited access to prescription medications because of Hawaii's unique geography and population distribution. Act 212, Session Laws of Hawaii 2008, authorized the establishment of RDPs as a means of addressing this issue. However, this law includes restrictions that present hardships to certain remote areas of Hawaii that may have a greater need for RDPs. By providing limited exemptions from these restrictions for RDPs located on islands without pharmacies, this measure will improve access to medications and pharmacy services.

Your Committee has amended this bill by transferring its provisions into the primary RDP statute under section 461-10.5, Hawaii Revised Statutes, to clarify that other than the aforementioned restrictions from which RDPs would be exempted under this measure, the other RDP requirements and restrictions under current law would still apply.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 655, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 655, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 547 Economic Revitalization, Business, & Military Affairs on H.B. No. 396**

The purpose of this bill is to protect Hawaii's workers who are employed by a business that employs 100 or more workers by:

- (1) Requiring successor employees to retain incumbent employees upon divestiture of a business; and
- (2) Assessing penalties for non-compliance with worker retention requirements.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii Building and Construction Trades Council, AFL-CIO, Hawaii State AFL-CIO, and a concerned individual testified in support of this bill. UNITE HERE! Local 5 supported the intent of this measure. The Department of Labor and Industrial Relations, Outrigger Hotels, Hawaii Hotel & Lodging Association, Retail Merchants of Hawaii, Chamber of Commerce of Hawaii, National Federation of Independent Business, Hawaii Restaurant Association, and Classic Resorts Limited testified in opposition to this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2112 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 396, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 396, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.  
(Representative Ward voted no.)

**SCRep. 548 Economic Revitalization, Business, & Military Affairs on H.B. No. 1567**

The purpose of this bill is to encourage the establishment of skilled nursing facilities by making each new skilled nursing facility that begins or expands its operations outside an enterprise zone (EZ) eligible to receive all benefits provided to qualified businesses located within the EZ.

Avalon Health Care supported this bill. The Department of Business, Economic Development, and Tourism opposed this measure. The Department of Taxation commented on this bill.

Your Committee finds that Hawaii must find ways to increase the number of skilled nursing facilities that are available to our aging residents. Accordingly, your Committee has amended this measure by making a skilled nursing facility located within an EZ, eligible for tax and other benefits under the EZ program.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1567, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1567, H.D. 1.

Signed by all members of the Committee except Representative Evans.

**SCRep. 549 Economic Revitalization, Business, & Military Affairs on H.B. No. 459**

The purpose of this bill is to maintain the essential disaster relief, search and rescue, homeland security, and medical emergency transport services provided by the Hawaii Civil Air Patrol by appropriating funds to help defray the operational expenses of the Hawaii Civil Air Patrol.

The 66<sup>th</sup> Composite Squadron of the Civil Air Patrol and a concerned individual testified in support of this bill.

Hawaii's Civil Air Patrol is an unpaid, all-volunteer organization that provides various vital services to the people of Hawaii, including flying disaster relief and search and rescue missions, providing support for homeland security operations, and performing medical transports. Maintaining the readiness capability of this organization will enhance their ability to assist the people of Hawaii when they are called upon in the future.

Your Committee finds that appropriating funds for the expenses of the Hawaii Civil Air Patrol will strengthen its efforts in, among other things, providing better training for search and rescue activities, performing tsunami warning duties, and offering increased educational opportunities to cadets. While your Committee understands the economic situation currently facing the State, sustaining the Hawaii Civil Air Patrol is an important public safety issue that deserves further consideration.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 459, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 459, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 550 Economic Revitalization, Business, & Military Affairs on H.B. No. 464**

The purpose of this bill is to continue to support the well-being of Hawaii's veterans by:

- (1) Establishing a Veterans' Gift Account (Account) within the Hawaii Health Systems Corporation (HHSC) to be administered by the Chief Executive Officer of HHSC;
- (2) Authorizing gifts of money to be deposited into the Account;
- (3) Allowing gifts of personal property to be sold, exchanged, or used in-kind if the gift is not appropriate for conversion to money; and
- (4) Authorizing the Chief Executive Officer of HHSC to use the gifts of money or personal property deposited into the Veterans' Gift Account only in a manner authorized by the donor.

The Office of Veterans Services testified in support of the intent of this bill. HHSC provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 464, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 551 Economic Revitalization, Business, & Military Affairs on H.B. No. 610**

The purpose of this bill is to allow Hawaii to move the development of the high technology sector of the economy beyond existing programs that target students and schools, by establishing a Hawaii State Science and Technology Task Force (Task Force) within the High Technology Development Corporation to:

- (1) Evaluate the effectiveness of past high technology legislation;
- (2) Develop a Hawaii State Science and Technology Plan (Plan) including goals, a plan to reach the goals, and a timeline for implementation and completion;
- (3) Create guidelines for future science and high technology legislation; and
- (4) Recommend science and high technology legislation to meet Plan goals.

This measure also appropriates funds for the Task Force.

The Department of Education testified in support of this bill. The High Technology Development Corporation supported the intent of this measure. The University of Hawaii, Hawaii Science and Technology Council, Hawaii Venture Capital Association, PacificCap Group, LLC, ThinkTech Hawaii, Inc., Pukoa Scientific, and Cellular Bioengineering, Inc., testified in opposition to this bill. The Department of Business, Economic Development, and Tourism, Office of Information Practices, and Strategic Transitions Research provided comments on this measure.

The Hawaii Science and Technology Council (Council) recently released a report on Hawaii's science and technology industry sectors that underscored the potential of this industry and its contribution to Hawaii's economy. Establishing a task force to take a more comprehensive approach to further development of the high technology sector in Hawaii deserves further consideration.

Your Committee has amended this bill by:

- (1) Decreasing the number of members on the Task Force from 16 to 12;
- (2) Deleting language that allows one member of the Task Force to be selected by Hawaii's most senior United States senator;
- (3) Requiring the chairperson of the board of directors of the High Technology Development Corporation to serve on the Task Force;
- (4) Deleting language allowing the president of Enterprise Honolulu to select one member of the Task Force;
- (5) Requiring that two, rather than three, senior-level business leaders from the Council, rather than from Hawaii's emerging science and technology sectors, be appointed to the Task Force by the Speaker of the House of Representatives and President of the Senate;
- (6) Eliminating the Governor's appointment from the science and technology sector;
- (7) Removing language exempting the Task Force from Chapter 92, Hawaii Revised Statutes; and
- (8) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 610, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 552 Economic Revitalization, Business, & Military Affairs on H.B. No. 994**

The purpose of this bill is to increase tourism revenues by creating a new tourist attraction and to encourage the growth of the technology sector of Hawaii's economy by appropriating funds to apply for a spaceport license from the Federal Aviation Administration (FAA).

Rocketplane Global, Inc., Hokkaido Aerospace Science & Technology Incubation Center, and two individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) and a concerned individual commented on this measure.

Hawaii, as well as that of the rest of the nation, is experiencing one of the worst periods of financial decline in decades. Since tourism is the chief generator of revenue and employment in this State, developing new forms of tourism may be a way of expanding this market. As space tourism has the potential for being a billion dollar industry, the development of this industry could give Hawaii's economy a needed boost in the near future.

However, your Committee understands that Hawaii's economic downturn has resulted in serious budget concerns. Your Committee respectfully requests the Committee on Finance to review the costs of developing a space tourism industry which would initially begin with the application for a spaceport license from the FAA and the benefits that the State would realize from this development. Your Committee also respectfully requests the Committee on Finance to review whether funds are currently available in DBEDT's budget that could be used to achieve the intent of this measure. Accordingly, your Committee has amended this bill by changing the appropriation amount to an unspecified sum to encourage further discussion.

Your Committee has also amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 994, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 553 Economic Revitalization, Business, & Military Affairs on H.B. No. 1309**

The purpose of this bill is to provide an incentive for employers to increase their employee count by establishing a tax credit for employers who increase their employee count over the previous year that is equal to:

- (1) Forty percent of the employee's wages, up to \$8,500, for employees retained for over 400 hundred hours; and
- (2) Twenty-five percent of the employee's wages, up to \$8,500, for employees retained for 120 hours but less than 400 hours.

The Chamber of Commerce of Hawaii and the Hawaii Restaurant Association supported this bill. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Restricting the credit to full-time employees who are retained by the employer for at least 1,800 hours;
- (2) Striking out the specific amount of the maximum tax credit that may be claimed for each employee;
- (3) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

Your Committee respectfully requests that the Committee on Finance, to which this measure is next referred, examine issues relating to criteria for, and the amount of, the credit in light of current financial constraints and conditions.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1309, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 554 Economic Revitalization, Business, & Military Affairs on H.B. No. 1352**

The purpose of this bill is to improve administration of the Natural Energy Laboratory of Hawaii (NELHA) by:

- (1) Moving NELHA to the Department of Budget and Finance for administrative purposes;
- (2) Expanding the number of directors to thirteen;
- (3) Removing from the board, the Chairperson and Secretary of the Research Advisory Committee, Director of Business, Economic Development, and Tourism, Chairperson of the Board of Land and Natural Resources, President of the University of Hawaii, Mayor of the County of Hawaii, and the two members chosen from the boards of the Strategic Development Corporation and High Technology Development Corporation; and
- (4) Making other modifications to board membership including adding two NELHA tenant members.

The Department of Budget and Finance and Department of Land and Natural Resources opposed this bill. The National Defense Center of Excellence for Research in Ocean Sciences commented on this measure.

Your Committee respectfully requests the Committee on Finance, to which this measure is next referred, to consult with representatives of the Big Island community to resolve the issues that have been bringing measures like this one to the Legislature in recent years, and that are distracting NELHA from its valuable work. In addition, your Committee respectfully requests that the Committee on Finance look at putting representatives of environmental interests on the NELHA board.

To encourage further discussion of the issues raised by this measure, your Committee has changed its effective date to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1352, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 555 Economic Revitalization, Business, & Military Affairs on H.B. No. 1831**

The purpose of this bill is to support the military in Hawaii while protecting state interests by establishing a Military Affairs Liaison Special Fund to support a nonprofit entity to:

- (1) Serve as liaison in matters relating to the military; and

- (2) Provide oversight for the military's presence in Hawaii and the impact defense spending has on Hawaii's economy.

The State of Hawaii Department of Defense and Chamber of Commerce of Hawaii testified in support of this bill. The Department of Budget and Finance testified in opposition to this measure.

Hawaii's strategic global position makes it essential for the United States military to maintain a large presence in Hawaii. This is beneficial in that it provides needed defense for the country while also providing much needed economic benefits to the state. In fact, the military is Hawaii's second largest source of revenues - second only to tourism. A liaison between the State and the military commands in Hawaii would allow for the expansion and fostering of Hawaii's relationship with the military and be advantageous to both parties.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1831, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 556 Economic Revitalization, Business, & Military Affairs on H.B. No. 563**

The purpose of this bill is to require class 5 liquor licensees, which include businesses authorized to sell liquor for consumption on the premises, to maintain liquor liability insurance coverage to be eligible for licensing, and license transfers and renewals.

The Honolulu Liquor Commission, Honolulu Department of Liquor Control, and Outrigger Hotels opposed this bill.

Liquor liability insurance protects a business against loss or damages caused by an intoxicated patron. Your Committee finds that all businesses who sell liquor for consumption on the premises should be required to maintain this coverage and share in its cost.

Your Committee has amended this bill by removing language that would require liquor commissions to enforce the insurance requirement beyond the licensing context.

As amended, this bill requires an applicant to show proof of the required liquor liability insurance coverage to obtain a license or license renewal, or to transfer a license.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 563, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Evans.

**SCRep. 557 Transportation on H.B. No. 1165**

The purpose of this bill is to enhance the safety and security of individuals and vessels using the state's commercial harbors by authorizing the Director of Transportation to adopt rules establishing safety measures and security requirements in or about the commercial harbors, land, and facilities belonging to or controlled by the State.

The Department of Transportation (DOT) testified in support of this bill.

According to DOT, there are times that an individual, or individuals, separate and apart from vessel traffic, have conducted activities in Hawaii's commercial harbors, including the waters of the commercial harbor, which have threatened the safety and security of either the individual or vessels in the harbor. Although the Director of Transportation currently has the authority to adopt rules to regulate vessels, passengers, freight, carriers, shippers, and consignees and can adopt rules for the safety of docks, wharves, piers, quays, bulkheads, and landings within commercial harbors, this measure will provide the Director with explicit authority to regulate traffic and other activities in the State's commercial harbors, including the waters of the commercial harbors.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1165 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 558 Transportation on H.B. No. 1166**

The purpose of this bill is to assist the Airports Division of the Department of Transportation (DOT) in constructing capital improvement projects (CIPs) by establishing additional financing options for these projects that:

- (1) Allow for the establishment of separate accounts within the Passenger Facility Special Fund; and
- (2) Require the transfer of funds from the passenger facility charges (PFC) into these accounts to pay debt service on bonds issued for the CIPs.

DOT testified in support of this bill.

PFCs were authorized by federal law in the 1990s to provide public agencies with a method of financing for the expansion of the airport system. PFCs are assessed on departing passengers on all international and domestic overseas flights, excluding interisland flights, and are overseen by the Federal Aviation Administration. Under Hawaii law, PFCs may only be used to directly pay costs related to airport projects approved by the Legislature. However, it is unclear as to whether or not PFCs can be used to pay debt service on bond financing for larger projects. This measure will amend current law to allow for such use and provide DOT with an additional means of financing larger projects.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1166 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 559            Transportation on H.B. No. 1167**

The purpose of this bill is to improve and modernize Hawaii's land transportation system by:

- (1) Increasing the State liquid fuel tax for all islands with a total resident population of 20,000 or more;
- (2) Increasing the State vehicle registration fee on vehicles registered on all islands with a total resident population of 20,000 or more;
- (3) Establishing the Land Transportation Modernization Special Fund (Special Fund);
- (4) Requiring the Director of Transportation to deposit \$20 from each annual motor vehicle registration fee that is increased into the Special Fund;
- (5) Increasing the vehicle weight tax and flat rate fees on vehicles registered on all islands with a total resident population of 20,000 or more;
- (6) Permanently increasing the rental motor vehicle surcharge tax from \$2-a-day to \$5-a-day;
- (7) Exempting the transfer of funds from the Special Fund from fees charged by the Director of Finance for central services expenses;
- (8) Exempting the Special Fund from the administrative expenses incurred by the Special Fund;
- (9) Authorizing the Department of Transportation (DOT) to expend funds for various projects and programs dealing with land transportation improvement projects and programs;
- (10) Requiring DOT to develop one or more pilot programs to test alternatives to the current state and county motor vehicle fuel tax systems;
- (11) Allowing the Department of Taxation (DOTAX) to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT;
- (12) Allowing DOT to terminate any pilot program established at any time and requiring DOT to notify DOTAX if a pilot program is terminated;
- (13) Establishing conditions under which the taxes and fees proposed by this measure shall take effect; and
- (14) Requiring DOT to submit various reports to the Legislature on the status of the Land Transportation Modernization Program as well as a Vehicle Miles Traveled Pilot Program.

DOT, DOTAX, Castle & Cooke Hawaii, Land Use Research Foundation of Hawaii, Pacific Resources Partnership, Hawaii Developers' Council, and Chamber of Commerce of Hawaii testified in support of this bill. Avis Rent A Car, Budget Rent A Car Hawaii, Catrala-Hawaii, The Hertz Corporation, Enterprise Rent A Car, Alamo Rent A Car, and National Car Rental testified in opposition to this measure. The Department of Customer Services of the City and County of Honolulu, Tax Foundation of Hawaii, and Hawaii Transportation Association provided comments.

Hawaii has an aging land transportation system that is in desperate need of improvement. In addition to traffic congestion concerns which result in direct quality of life and economic impacts on the people of Hawaii, safety concerns abound with deteriorating roadways and bridges. Although DOT has been diligent in its attempts to deal with these infrastructure issues, dramatic increases in construction and material costs have required DOT to make difficult choices and fund the most critically needed projects and programs. This results in basic preservation and preventative maintenance projects being deferred, adding to the long-term costs of our land transportation infrastructure.

According to DOT, at current funding levels, it will take over 30 years to address the over \$7,000,000,000 in infrastructure and program needs currently facing the department. This measure attempts to infuse a large amount of capital into transportation projects to assist the department in meeting Hawaii's future transportation needs and preventing further degradation of Hawaii's land transportation infrastructure.

However, your Committee understands the concerns raised by the rental car industry and the commercial transportation industry regarding the equity of increasing the rental car surcharge fee and flat fees on vehicles weighing over 10,000 pounds that are contained in this measure. Therefore, it respectfully requests the Committee on Finance to review the fairness in the raising of these fees.

Your Committee also has concerns with regard to the trigger mechanism established in this bill as highway project funding should not be contingent upon economic conditions and salary and job growth. Accordingly, your Committee has amended this bill by:

- (1) Reducing the rental motor vehicle surcharge tax from \$5 per day to \$3 per day;
- (2) Eliminating the mechanism establishing the conditions under which the tax and fee increases proposed by this measure shall take effect; and
- (3) Stipulating that the tax and fee increases shall take effect on July 1, 2011.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1167, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 560            Transportation on H.B. No. 1422**

The purpose of this bill is to allow the counties to remove abandoned motor vehicles from private roads.

Several concerned individuals testified in support of this bill. The Department of Customer Services (DCS) of the City and County of Honolulu and Honolulu Police Department opposed this measure.

Some residents abutting private roads are currently experiencing problems with abandoned vehicles left on these roads. Although counties are already allowed to remove abandoned vehicles from public roadways, removing these vehicles from a private road is often more complex and generally requires the involvement of the actual owner of the road. Since abandoned vehicles oftentimes pose a health and safety hazard to the community, your Committee finds that removal of these vehicles is in the best interest of public health and safety.

Although DCS informed your Committee that private landowners currently have the ability to have unauthorized vehicles removed from their property, there may be instances where obviously abandoned and deteriorating vehicles are difficult to remove. Your Committee concurs that this matter deserves further consideration and discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1422 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 561            Transportation on H.B. No. 143**

The purpose of this bill is to increase motor vehicle safety by:

- (1) Prohibiting the use of a mobile phone while operating a motor vehicle unless the phone is equipped with and used in a hands-free mode;
- (2) Prohibiting the use of other electronic devices including music players, video games, personal digital assistants, and similar devices requiring the use of a battery and at least one hand to operate while operating a motor vehicle;
- (3) Prohibiting the use of a mobile phone or other electronic device, including those equipped with a hands-free device, while operating a moving school bus or transit vehicle;
- (4) Imposing fines for using a mobile phone while operating a motor vehicle; and
- (5) Stipulating that enforcement of the prohibition of the use of a mobile phone or other electronic device shall only be accomplished as a secondary action when a driver or operator has been detained for a suspected violation of another traffic infraction.

This bill also provides an affirmative defense for a person using the mobile phone for emergency purposes.

The Department of Transportation testified in support of this bill. Several concerned individuals supported the intent of this measure. Several concerned individuals supported this bill with amendments. The Office of the Public Defender and numerous concerned individuals testified in opposition to this bill. The Hawaii Transportation Association, AT&T, and several concerned individuals provided comments.

The use of a hand-held cellular device, or other electronic devices such as video games, while operating a motor vehicle can be a distraction leading to a motor vehicle collision. Collisions due to the use of these devices could be avoided and personal injury and property damage eliminated if regulations existed to restrict their use while operating a motor vehicle. Although debate continues as to whether use of these devices contributes to accidents, your Committee feels that this bill warrants further discussion.

However, your Committee understands the concerns raised by amateur mobile radio operators, otherwise known as ham operators, that this measure will impact the use of mobile radios in their vehicles. As these individuals often provide a public service during emergencies by serving as a communications link, your Committee notes that it is not the intent of this measure to affect these individuals. Accordingly, your Committee respectfully requests the Committee on Judiciary to determine whether the definition of an "electronic device" legally encompasses ham radios and, if so, to amend the definition so that it specifically targets devices that will serve as a distraction while driving that is consistent with the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 143, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 562            Transportation on H.B. No. 866**

The purpose of this bill is to mitigate traffic congestion during traffic emergencies that require lane-closures by law enforcement or emergency services personnel by allowing all motor vehicles, regardless of the number of persons carried in the vehicle, to use a high occupancy vehicle (HOV) lane or zipper lane.

Two concerned individuals testified in support of this bill. The Department of Transportation Services of the City and County of Honolulu supported the intent of this measure. The Department of Transportation (DOT) testified in opposition to this measure.

A number of areas and communities throughout the state are accessible by only one route. Many times, residents of these communities endure long commute times due to a traffic accident or other traffic emergency that forces authorities to close lanes on the roadway. Sometimes, the traffic congestion that results lasts for hours leaving many frustrated drivers in their vehicles. Allowing these drivers to use HOV lanes or the zipper lane during these lane closures may help alleviate this problem.

However, your Committee understands the concerns raised by DOT that drivers often do not have adequate knowledge of the traffic situation on a more global level and therefore may not be able to properly judge when the HOV or zipper lane may be used. Accordingly, your Committee has amended this measure by requiring DOT to develop protocols for the use of the high occupancy vehicle lane or zipper lane during traffic emergencies requiring lane closures.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 866, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 563            Judiciary on H.B. No. 271**

The purpose of this bill is to:

- (1) Streamline real estate transactions; and
- (2) Facilitate public access to real estate documents,

by permitting the registrar of the Bureau of Conveyances of the Department of Land and Natural Resources (DLNR) to accept electronic documents with electronic signatures for recording and to consider such documents as equally valid as manually signed documents.

This bill also requires DLNR to establish electronic recording standards and practices and provides guidelines to establish those standards.

The Commission to Promote Uniform Legislation testified in support of this bill. DLNR provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 271 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Wakai.

**SCRep. 564            Judiciary on H.B. No. 1428**

The purpose of this bill is to provide greater support to small businesses by amending the Small Business Regulatory Flexibility Act to:

- (1) Codify the Small Business Bill of Rights;
- (2) Increase the number of Small Business Regulatory Review Board (Review Board) members from eleven to thirteen;
- (3) Remove the term limit restriction on the chairperson of the Review Board; and
- (4) Clarify language and definitions within the statute.

The Department of Business, Economic Development, and Tourism, Review Board, Chamber of Commerce of Hawaii, National Federation of Independent Business, and Hawaii Business League testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1428, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 565            Judiciary on H.B. No. 1518**

The purpose of this bill is to permit towing companies to add the applicable general excise tax and county surcharge to the fees charged to the owner of a motor vehicle left unattended on private or public property without the authorization of the owner or occupant of the property.

Waialae Chevron and Tow Service and the Hawaii State Towing Association testified in support of this bill. The Department of Commerce and Consumer Affairs opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and McKelvey.  
(Representatives Cabanilla and Thielen voted no.)

**SCRep. 566            Judiciary on H.B. No. 1163**

The purpose of this bill is to authorize the Director of Transportation to require any person who uses or occupies State commercial harbors to defend, indemnify, and hold harmless the State against claims that may arise from such use or occupation.

The Department of Transportation (DOT) testified in support of this bill. The Hawaii Harbors Users Group offered comments.

Your Committee understands that DOT and the Hawaii Harbor Users Group are negotiating further clarifying language for this measure, and respectfully encourages your Committee on Finance to consider the results of their negotiation.

Your Committee has amended this bill by:

- (1) Clarifying that the requirement to defend, indemnify, and hold harmless the State against claims that may arise from the use or occupation of State commercial harbors applies only to use or occupation for business or commercial purposes;
- (2) Changing its effective date to July 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1163, H.D. 1.

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

**SCRep. 567            Judiciary on H.B. No. 300**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of, and capital improvements for, the Judiciary for fiscal biennium 2009-2011.

The Judiciary, Hawaii Immigrant Justice Center, Legal Aid Society of Hawaii, and Volunteer Legal Services Hawaii supported this bill.

Your Committee is working closely with your Committee on Finance to examine all aspects of funding for the Judiciary, and it will continue to look at alternatives to further maximize fiscal efficiency in the delivery of court services and operations. In light of the severity of the current fiscal conditions affecting the State, your Committee further encourages the Judiciary to continue to provide meaningful and detailed input to your Committee as well as the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 568            Judiciary on H.B. No. 345**

The purpose of this bill is to postpone from 2010 to 2014 the commencement of the pilot project for comprehensive public funding of Hawaii County Council elections.

The County of Hawaii Office of the County Clerk, a member of the Hawaii County Council, and several concerned individuals testified in support of this bill. The League of Women Voters of Hawaii, Americans for Democratic Action, Hawaii Chapter, Progressive Democrats of Hawaii, Common Cause Hawaii, and many concerned individuals opposed this measure. The Campaign Spending Commission offered comments.

Your Committee notes the concerns raised by the Campaign Spending Commission that the provisions in Act 244, Session Laws of Hawaii 2008, relating to equalizing funds for participating candidates in comprehensively publicly funded county council elections, may raise issues of constitutionality.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 345 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.  
(Representatives Luke and Thielen voted no.)

**SCRep. 569            Judiciary on H.B. No. 1379**

The purpose of this bill is to create a process for a patient to direct end-of-life treatment in a standardized physician orders for life sustaining form.

The Honolulu Emergency Services Department of the City and County of Honolulu, the Hawaii Family Forum, the Roman Catholic Church in the State of Hawaii, Hospice Hawaii, and a concerned individual testified in support of this bill. The Department of Health supported the intent of this measure. The Hawaii Health Systems Corporation and a concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2046; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 570 Consumer Protection & Commerce on H.B. No. 1843**

The purpose of this bill is to reduce Hawaii's dependence on fossil fuel and increase the use of renewable energy within the State.

Generally, the measure:

- (1) Increases the amount of an electric utility company's renewable portfolio standard from twenty to twenty-five per cent of the electric company's net electricity sales by December 31, 2020;
- (2) Requires the amount of an electric utility company's renewable portfolio standard to be forty per cent of the electric company's net electricity sales by December 31, 2030;
- (3) Prohibits all state and county agencies from issuing a permit for the construction or operation of a new electric generation unit that produces electricity solely from the combustion of a fossil fuel, with certain exemptions;
- (4) Requires the Public Utilities Commission to evaluate renewable portfolio standards every five years, beginning in 2013;
- (5) Requires the State Energy Resources Coordinator to:
  - (A) Formulate a systematic process, including the development of requirements, to identify geographic areas that contain renewable energy resource potential that may be developed in a cost-effective and environmentally benign manner and designate these areas as renewable energy zones;
  - (B) Develop and recommend incentive plans and programs to encourage the development of renewable energy resource projects within the renewable energy zones;
  - (C) Assist public and private agencies in identifying the utility transmission projects or infrastructure that are required to accommodate and facilitate the development of renewable energy resources;
  - (D) Assist public and private agencies, in coordination with the Department of Budget and Finance, in accessing the use of special purpose revenue bonds to finance the engineering, design, and construction of transmission projects and infrastructure that are deemed critical to the development of renewable energy resources; and
  - (E) Develop the criteria or requirements for identifying and qualifying specific transmission projects or infrastructure that are critical to the development of renewable energy resources and for which the State Energy Resources Coordinator shall assist in accessing the use of special purpose revenue bonds to finance;
- (6) Includes specific examples of renewable resources for the production of electrical energy that businesses must be engaged in to be deemed a "qualified business" under Hawaii's State Enterprise Zones law;
- (7) Specifies duties of the Renewable Energy Facilitator to facilitate the efficient permitting of renewable energy projects; and
- (8) Reduces the minimum capacity for renewable energy facilities; and
- (9) Requires a report for renewable energy facility permits not approved or denied after twelve months; and
- (10) Precludes any electrical energy savings after January 1, 2015, from counting toward renewable energy portfolio standards.

The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Kauai Island Utility Cooperative, the Sierra Club, and the Blue Planet Foundation testified in support of the measure. The Department of Commerce and Consumer Affairs and the Public Utilities Commission testified in support of the intent of the measure. The Hawaii Renewable Energy Alliance provided comments.

Your committee finds that reducing Hawaii's dependence on fossil fuels and creating incentives to develop renewable energy resource projects is a necessary step in achieving the State's renewable energy goals.

Your committee has amended this bill by changing the effective date of the measure to January 1, 2020, and the effective date of the appropriation made in section 11 to July 1, 2020, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1843, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1843, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 571 Energy & Environmental Protection on H.B. No. 281**

The purpose of this bill is to prioritize the use of federal economic stimulus funds that are distributed to the states for the reestablishment of an emergency environmental workforce (workforce). The workforce will temporarily employ between 400 and 450 people who lost their jobs in the current recession to provide contract employees to state and county agencies in need of environmental clearance and eradication services for the eradication of invasive species and other ongoing environmental improvement programs.

The Conservation Council for Hawaii testified in support of this bill.



Your Committee has amended this bill by:

- (1) Directing the Department of Business, Economic Development, and Tourism (DBEDT) to identify and develop a policy framework for action to seek partnerships and opportunities to address the need for a highly skilled and well-trained "green collar" workforce to meet the needs of an emerging "green economy" sector;
- (2) Appropriating funds for DBEDT to carry out its mandate;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 281, H.D. 2, and be referred to the Committee on Finance.

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

**SCRep. 572 Energy & Environmental Protection on H.B. No. 1446**

The purpose of this bill is to encourage resident taxpayers who are at least 60 years old to use renewable energy by making the nonrefundable Renewable Energy Technology System Tax Credit (Tax Credit) a refundable tax credit for those qualifying taxpayers.

The Blue Planet Foundation and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation provided comments.

Upon careful consideration, your Committee has amended this measure by replacing its contents with part III of House Bill No. 1053. Specifically, this bill was amended by:

- (1) Consolidating the tax credits for photovoltaic energy systems and solar thermal energy systems with all other solar energy systems into a solar energy systems tax credit;
- (2) Providing a refundable tax credit option for taxpayers with qualifying solar energy systems that heat water for household use, if after reducing the Tax Credit amount by 30 percent, the taxpayer's Tax Credit exceeds the amount of income tax due;
- (3) Providing the option of claiming a refundable tax credit to taxpayers whose total income is tax exempt pension income and not more than \$20,000 or \$40,000 if married and filing jointly;
- (4) Prohibiting the claiming of the Tax Credit for solar water heaters installed pursuant to the Act 204, Session Laws of Hawaii 2008, requiring solar water heaters in new single-family dwellings after December 31, 2009;
- (5) Making the section apply to eligible renewable energy technology systems that are installed and placed in service on or after January 1, 2010; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1446, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 573 Hawaiian Affairs on H.B. No. 1663**

The purpose of this bill is to protect traditional varieties of taro in Hawaii by banning the development, testing, propagation, releasing, importation, planting, and growing of genetically modified taro in the State of Hawaii.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, KAHEA-The Hawaiian Environmental Alliance, Sierra Club, Hawaii Chapter, Waikiki Hawaiian Civic Club, Hawaii SEED, Hawaiian Political Action Council of Hawaii, 'Imi Hale-Native Hawaiian Cancer Network, Papa Ola Lokahi, Kipahulu 'Ohana, GMO Free Kauai, and numerous concerned individuals testified in support of this bill. The Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Crop Improvement Association testified in opposition to this measure.

Taro has long been held as a culturally significant plant by the kanaka maoli, or indigenous people of Hawaii. Not only has taro served as an important food source for the people of Hawaii but this plant has also had genealogical, spiritual, and cultural links to native Hawaiians which continues to this day. Your Committee finds that protecting this important plant deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663 and recommends that it pass Second Reading and be referred to the Committee on Agriculture.

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

**SCRep. 574 Hawaiian Affairs on H.B. No. 899**

The purpose of this bill is to clarify and strengthen the authority of the Office of Hawaiian Affairs (OHA) to issue revenue bonds to obtain funding for its projects by amending the bond provisions of Chapter 10, Hawaii Revised Statutes, to reflect current government bond practices and provide increased autonomy for OHA in issuing bonds.

OHA supported this bill. The Department of the Attorney General (AG) commented on the measure.

The AG raised several concerns about the amendments made to the bond authority by this bill. Your Committee believes that these issues are within the purview and expertise of the Committee on Finance to which this measure is next referred, and respectfully requests that the Committee examine these concerns.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 575 Hawaiian Affairs on H.B. No. 1015**

The purpose of this bill is to enable the Department of Hawaiian Home Lands (DHHL) to begin housing projects without having the full cost of the project on hand, by amending the law controlling trust fund expenditures to allow DHHL to incur obligations exceeding the amount in the DHHL trust fund when:

- (1) The trust fund will be receiving moneys enabling payment of the entire obligation within a reasonable time; and
- (2) The expenditure is approved by the Governor.

The Department of Accounting and General Services and DHHL testified in support of this bill.

Current law requires State-funded housing projects to have full capital financing before being allowed to proceed. However, as DHHL often initiates projects that generate income streams through the selling or leasing of completed homes or improved lands, allowing them to proceed with building phases of a project with only those funds needed to complete that particular phase appears to be reasonable. This change in the law would reduce DHHL project costs and also would bring DHHL's development of projects more in-line with private industry standards that allow contractors to be bonded and to proceed with construction projects in phases.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1015 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 576 Hawaiian Affairs on H.B. No. 1666**

The purpose of this bill is to implement the mandate of the Hawaii Constitution that native Hawaiian culture and language be preserved and promoted by requiring that the Hawaiian words in all state and county documents, letterheads, emblems, and symbols, when newly created, replaced, reprinted, or otherwise revised, be accurate, appropriate, and authentic.

The Office of Hawaiian Affairs, Kamehameha Schools, and a concerned individual testified in support of this bill. The Department of Accounting and General Services supported the intent of this measure. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Removing documents prepared by or for state or county agencies or officials, from the requirements of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1666, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 577 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 949**

The purpose of this bill is to stimulate and support commercial development on Hawaiian home lands that benefits neighboring residents and the economy, by authorizing the Department of Hawaiian Home Lands (DHHL) to lease Hawaiian home lands for terms of up to 99 years for commercial land developments.

The Hawaiian Homes Commission, DHHL, Pearl Harbor Hawaiian Civic Club, Association of Hawaiian Civic Clubs, DeBartolo Development, Diversified Equity Investment Corporation, and Malu'ohai Residents Association provided testimony in support of this bill. The Waimea Hawaiian Homesteaders' Association Inc., and Paukukalo Hawaiian Homes Community Association opposed this measure.

Giving DHHL the ability to enter into commercial long-term leases may provide a revenue stream that could help DHHL and its homestead communities to become financially self-sufficient, and be used to fund facilities for Hawaiian homestead communities, such as community centers.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 949 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Har, Luke, Sagum, Yamane and Thielen.

**SCRep. 578 Water, Land, & Ocean Resources on H.B. No. 665**

The purpose of this bill is to clarify that forfeiture laws apply to violations of conservation and resources statutes and rules and to the protection of caves, historic preservation, and the Kahoolawe Island Reserve.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Historic Hawaii Foundation testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1) Adding a provision that violators of Kahoolawe Island Reserve statutes may also be subject to civil remedies of forfeiture, in addition to criminal penalties; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 665, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

**SCRep. 579 Water, Land, & Ocean Resources on H.B. No. 1766**

The purpose of this bill is to permit commercial vessels to occupy Ala Wai Boat Harbor if the vessel has a permitted moorage at Ala Wai Boat Harbor and does not engage in any commercial activities in the harbor.

The Ocean Tourism Coalition supported this bill with amendments. Numerous concerned individuals opposed this measure. The Department of Land and Natural Resources (DLNR), Hawaii's Thousand Friends, and several concerned individuals provided comments.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the provisions of the bill and inserts new language:

- (1) Allowing the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi Boat Harbors;
- (2) Providing for future mooring fees to be established by appraisal by a state licensing appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class that shall equal schedule B rates over a five-year period; and
- (3) Directing DLNR to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai Boat Harbor facilities that are presently underused to maximize the revenue potential from its facilities.

Your Committee has amended this bill by adopting the language in the proposed H.D. 1. Your Committee has further amended the proposed H.D. 1 by:

- (1) Deleting the restrictions on the length of vessels eligible for commercial use permits at Ala Wai Boat Harbor;
- (2) Authorizing the Board of Land and Natural Resources to designate mooring areas for commercial vessels within the Ala Wai and Keehi Boat Harbors that minimize the effects on the harbors and recreational boaters, instead of specifying which slips they may occupy;
- (3) Providing that the commercial mooring areas shall be phased-in in such a way as to not permanently displace any existing recreational boaters or existing catamaran operators;
- (4) Deleting language setting forth the specific slips that the vessels that are issued commercial use permits at Ala Wai Boat Harbor can occupy;
- (5) Authorizing, instead of requiring, DLNR to develop Ala Wai Boat Harbor; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1766, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 580 Public Safety on H.B. No. 231**

The purpose of this bill is to ensure proper oversight of corrections safety by requiring the Department of Public Safety to report any inmate or correctional facility employee death within 24 hours of the occurrence to the Legislature.

The Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Drug Policy Forum, Hepatitis Support Network, and several concerned individuals supported this bill. The Department of Public Safety opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 231 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 581 Public Safety on H.B. No. 518**

The purpose of this bill is to address prison overcrowding while ensuring public safety by authorizing the Department of Public Safety and Hawaii Paroling Authority to release nonviolent committed persons provided the person released wears an electronic monitoring device.

The Community Alliance on Prisons, the Hawaii Substance Abuse Coalition, the Drug Policy Forum of Hawaii, the African-American Lawyers Association, and several concerned individuals supported this bill. The Department of Public Safety and Hawaii Paroling Authority opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 518 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 582            Public Safety on H.B. No. 1292**

The purpose of this bill is to ensure law enforcement officers have the facilities necessary to achieve proper certification in firearms usage and training by appropriating funds for the plans, design, and construction of a state-qualified shooting range at Kulani Correctional Facility on the Island of Hawaii.

Several concerned individuals supported the intent of this bill. A concerned individual opposed this measure. The Department of Public Safety and Hawaii Rifle Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki, Takumi and Pine.

**SCRep. 583            Public Safety on H.B. No. 519**

The purpose of this bill is to ensure:

- (1) The timely return of Hawaii inmates who are housed out of state; and
- (2) Adequate facilities to house the inmates upon their return,

by requiring the Department of Public Safety (PSD) to bring out-of-state prisoners back to Hawaii by December 31, 2015, and expand current as well as build new in-state correctional facilities. This bill also repeals the authority to transfer inmates to out-of-state facilities or to develop out-of-state correctional facilities.

The Hepatitis Prevention and Support Network of Hawaii and a concerned individual supported this bill. A concerned individual supported this measure with amendments PSD, the Community Alliance on Prisons, and the Drug Policy Forum of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective dates to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 519, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki, Takumi and Pine.

**SCRep. 584            Public Safety on H.B. No. 1152**

The purpose of this bill is to permit the Department of Public Safety (PSD) to:

- (1) Open more than one account with financial institutions per inmate and maintain accounts within the department for expenses during incarceration and upon release; and
- (2) Exempt payment of interest on the accounts maintained by PSD.

PSD supported this bill. The Community Alliance on Prisons and the Hepatitis Prevention and Support Network of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Souki, Takumi and Pine.

**SCRep. 585            Public Safety on H.B. No. 1080**

The purpose of this bill is to increase the state's capacity to shelter persons in the event of a disaster by providing expanded exemption from liability to private schools and health care facilities that may be used as shelters.

The Department of Defense and the Disability and Communication Access Board supported this bill.

Your Committee respectfully requests that your Committee on Judiciary further review the new language used to amend Section 128-19, Hawaii Revised Statutes, specifically the proviso in paragraph 128-19,(b),(2). It was unclear from the testimony presented exactly what this proviso was meant to do or why it was only placed in the paragraph regarding health care facilities.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1080 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Souki, Takumi and Pine.

**SCRep. 586            Public Safety on H.B. No. 1151**

The purpose of this bill is to improve safety and security within the prison system by authorizing the search of persons and vehicles entering state correctional facility grounds.

The Department of Public Safety (PSD) supported this bill. The American Civil Liberties Union opposed this measure. The Community Alliance on Prisons submitted comments.

Your Committee acknowledges PSD's testimony in which it states, "PSD will promulgate administrative policy that will govern the search of vehicles and persons coming on grounds that will clarify the factors to be considered before a search is conducted, similar to probable cause." Concerns regarding this language were raised, and your Committee respectfully requests the Committee on Judiciary to further review this statement to determine if the rules should be "conditioned" on probable cause rather than being based on something similar. Therefore, your Committee has amended this bill by changing its effective date to July 1, 2025, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1151, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Souki, Takumi and Pine.

**SCRep. 587            Public Safety/Labor & Public Employment on H.B. No. 941**

The purpose of this bill is to ensure the safety of liquor control officials by authorizing county departments of liquor control investigators to possess electric guns.

The County of Maui's Department of Liquor Control and several concerned individuals supported this bill. The Hawaii Government Employees Association supported the intent of this measure. The American Civil Liberties Union of Hawaii opposed this bill. The Department of Public Safety (PSD) submitted comments.

Your Committees have amended this bill by:

- (1) Adding PSD narcotics enforcement officers to those authorized to possess electric guns; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 941, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 941, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 588            Judiciary on H.B. No. 87**

The purpose of this bill is to ensure a quality education for children with disabilities by authorizing and obligating the Department of Education (DOE) to oversee and monitor students eligible for special education who are placed in private schools or facilities at public expense.

DOE testified in support of this bill. The Hawaii Association of Independent Schools supported the intent of this measure. The Autism Society of Hawaii, Koolauloa Community Children's Council Parent Support Group, and many concerned individuals opposed this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 87, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 87, H.D. 2.

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

**SCRep. 589            Judiciary on H.B. No. 1130**

The purpose of this bill is ensure public safety by allowing the Department of Labor and Industrial Relations (DLIR) to:

- (1) Establish re-inspection frequencies and procedures for permit renewals for boilers, elevators, and kindred equipment based on factors relevant to the safe operation of the equipment and American Society of Mechanical Engineers standards; and
- (2) Obtain records and documents relating to investigations, enforcement, and inspection activities.

DLIR testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the Director of DLIR may only obtain pertinent records and documents from an employer, owner, or operator of equipment during the course of investigation, enforcement, and inspection; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1130, H.D. 2.

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

**SCRep. 590            Judiciary on H.B. No. 1406**

The purpose of this bill is to streamline the delivery of key human service programs by merging the functions and duties of the Office of Community Services of the Department of Labor and Industrial Relations (OCS) with those of the homeless programs branch of the Hawaii Public Housing Authority (HPHA). This bill reestablishes these programs as a new Office of Homeless and Community Services (OHCS) within the Department of Human Services (DHS).

Your Committee received testimony in support of this measure from OCS and the Hawaii County Economic Opportunity Council. DHS and HPHA supported the intent of this bill. Catholic Charities Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Making the establishment of the OHCS and the transfer of programs into the new office discretionary;
- (2) Changing the effective date to July 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1406, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1406, H.D. 2.

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

**SCRep. 591            Judiciary on H.B. No. 269**

The purpose of this bill is to enable the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices of real property to more accurately determine real property tax assessments. Specifically, this bill requires the registrar of the Bureau of Conveyances to provide, within ten days after the end of each week and free of charge, the administrator of the Real Property Assessment Division of the City and County of Honolulu an image and index of all instruments and documents that have been recorded in the registrar's office that week relating to land in all the counties. This bill also requires the real property assessment administrator of the City and County of Honolulu to provide copies of the images, without charge, to the real property assessment administrators of the other counties.

The Real Property Tax Division of the County of Maui, Real Property Tax Division of the County of Hawaii, Department of Finance of the County of Kauai, and Real Property Assessment Division of the City and County of Honolulu testified in support of this bill. The Department of Land and Natural Resources (DLNR) opposed this measure.

Your Committee notes that the real property assessment offices of each county are currently engaged in discussions with DLNR to resolve issues related to the direct and timely transfer of the information identified in this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 269, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 269, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.  
(Representative Thielen voted no.)

**SCRep. 592            Judiciary on H.B. No. 993**

The purpose of this bill is to encourage fiscal responsibility by amending the Hawaii Constitution to route a portion of projected general fund revenues increases to an emergency and budget reserve fund established by law. This bill sets seven percent as the percentage activating the disposition.

The Hawaii Government Employees Association testified in support of this bill. The Department of Budget and Finance testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

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

- (1) Removing the purpose section; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 993, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 593            Judiciary on H.B. No. 1293**

The purpose of this bill is to continue efforts to fight crime and to provide support and guidance to victims through the criminal justice process, by providing grants to the counties for their career criminal prosecution units and victim witness assistance programs.

The Crime Victim Compensation Commission, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, Maui Victim/Witness Assistance Division, County of Hawaii Office of the Prosecuting Attorney, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Creating a Domestic Violence Special Fund, to be repealed on June 30, 2015, to provide grants to organizations that provide domestic violence services;
- (2) Changing its effective date to July 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1293, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 594            Judiciary on H.B. No. 1780**

The purpose of this bill is to ensure public safety while making available effective services that enable offenders to successfully reintegrate into the community, helping to reduce the cost of corrections, and allowing judges to use their discretion in sentencing offenders, by changing the minimum sentencing of repeat offenders from being mandatory to discretionary.

The Office of the Public Defender, the state representative from the 11<sup>th</sup> Representative District, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this bill. The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Allowing defendants who are repeat offenders under section 706-606.5, Hawaii Revised Statutes, to be sentenced to probation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1780, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 595            Economic Revitalization, Business, & Military Affairs/Energy & Environmental Protection on H.B. No. 1704**

The purpose of this bill is to establish a government-industry consortium for funding, research, and development of renewable energy resources.

Specifically, this bill requires the State's energy resources coordinator to:

- (1) Establish Sustainable Energy Innovation, LLC, to leverage the systems expertise of the various universities and aerospace industries located in Hawaii;
- (2) Seek federal and private industry funding for renewable energy technology research;
- (3) Develop and demonstrate advanced energy technology projects and testing in Hawaii, including space solar power prototypes, integrated solar energy systems, and green fuel generation, beginning with integrated ground-based testing of the first prototype solar power satellite;

- (4) Provide funding for qualified small business ventures to work on projects in partnership with the University of Hawaii and other universities, corporations, and the international community to rapidly establish renewable energy technologies and businesses;
- (5) Assist the University of Hawaii to develop new curricula for advanced sustainable energy economics and systems and to lead the education of the next generation of researchers, engineers, and technicians;
- (6) Seek participation from:
  - (A) The Department of Business, Economic Development, and Tourism;
  - (B) The University of Hawaii;
  - (C) Energy Technologies, LLC;
  - (D) Federal agencies, including but not limited to the Department of Energy, National Science Foundation, National Aeronautics and Space Administration, Office of Naval Research, and Defense Advanced Research Projects Agency; and
  - (E) National and international energy experts, such as the Boeing Company, Lockheed Martin Corporation, ENTECH, Inc., Battelle Memorial Institute, Kobe University, Mitsubishi Trading Company, Auburn University, and Texas A&M University; and
- (7) Report annually to the Legislature.

The bill also appropriates \$1,000,000 in fiscal year 2009-2010 and \$2,000,000 in fiscal year 2010-2011 for the organization and operations of the government-industry consortium.

Your Committees received testimony in support of this bill from the Blue Planet Foundation and two individuals. Testimony in opposition was received from the Life of the Land. The Department of Business, Economic Development, and Tourism and Managed Energy Technologies, LLC, offered comments.

Your Committees find that the concept of establishing a government-industry consortium within the Department of Business, Economic Development, and Tourism is inappropriate. Instead, your Committees find that the Hawaii Natural Energy Institute of the University of Hawaii is statutorily tasked with research and development and technology validation. However, due to the constraints imposed by a legislative filing deadline, your Committees have refrained from amending this bill and commends this issue to the attention of the Committee on Finance.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1704, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Har, Ito, Manahan, Sagum, Tokioka and Wakai.

**SCRep. 596 Economic Revitalization, Business, & Military Affairs on H.B. No. 602**

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

- (1) A partner of a partnership, if the partner is an individual;
- (2) A sole proprietor for the sole proprietorship; and
- (3) Members of a Limited Liability Company (LLC) or Limited Liability Partnership (LLP) who own 50 percent or more of the LLC or LLP.

The Department of Labor and Industrial Relations, Chamber of Commerce of Hawaii, Hawaii Independent Insurance Agents Association, Retail Merchants of Hawaii, Hawaii Business League, and National Federation of Independent Business testified in support of this bill.

Current Hawaii law requires employers to maintain workers' compensation insurance for the benefit of their employees, even in cases of a partner of a partnership, or an LLC or LLP, where the only employees are the owners of or partners in the company. Since an owner or partner would have nothing to gain from suing themselves for workers' compensation, your Committee finds that it would be fair and prudent to exempt this type of "employment" from the workers' compensation insurance requirement.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan and Wooley.

**SCRep. 597 Economic Revitalization, Business, & Military Affairs on H.B. No. 702**

The purpose of this bill is to exempt, from the general excise tax (GET), amounts received as reimbursements by a managed care support contractor of the federal TRICARE program for the actual cost or advancement to third party health care providers pursuant to a contract with the federal government.

The Hawaii Medical Service Association, TriWest Healthcare Alliance Inc., and The Chamber of Commerce of Hawaii supported this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii submitted comments.

Your Committee notes that this measure clarifies the existing opinion of DOTAX that the reimbursements received by a managed care support contractor are not subject to the GET.



In addition, your Committee requests the Committee on Finance to which this bill is next referred to examine the GET exemption language, a portion of which may need to be clarified to state, "...the actual costs of or advancement to third party health care providers for services provided pursuant to a contract."

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 702 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Evans.

**SCRep. 598 Economic Revitalization, Business, & Military Affairs on H.B. No. 687**

The purpose of this bill is to ensure that veterans are receiving adequate and appropriate health care services by providing the Department of Defense, Office of Veterans' Services (OVS) with greater access and input into the operations of the Yukio Okutsu State Veterans Home.

OVS supported the intent of this bill.

Your Committee finds that providing OVS with improved access to information on the care of veterans at the Yukio Okutsu State Veterans Home is important. Therefore, in an effort to ensure such access, your Committee on Finance is respectfully requested to look into the possibility of enabling a representative of OVS to become a member of the Hawaii Health Systems' East Hawaii Regional Board.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 687, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 687, H.D. 2.

Signed by all members of the Committee except Representative Evans.

**SCRep. 599 Economic Revitalization, Business, & Military Affairs on H.B. No. 1082**

The purpose of this bill is to encourage the development of science, technology, engineering, and mathematics (STEM) programs designed to prepare public school students for employment in high technology industries by establishing an income tax credit (Tax Credit) equal to 50 percent of the amount donated to a qualifying STEM program (Tax Credit). This bill further caps the Tax Credit to \$1,000,000 in the aggregate for all taxpayers for each taxable year and establishes a schedule of unspecified limits on the amount of the Tax Credit that may be claimed for different categories of taxpayers.

The Senior Policy Advisor of the Governor, Department of Business, Economic Development, and Tourism (DBEDT), Department of Taxation (DOTAX), Department of Education, and University of Hawaii supported this bill. The Tax Foundation of Hawaii commented on this bill.

Your Committee notes that this measure, as referred to your Committee, provides that DBEDT carry out most of the oversight for the Tax Credit, including certification procedures. However, to avoid confusion and duplication of resources, DOTAX would be the more appropriate agency in administering the Tax Credit.

Therefore, your Committee has amended this measure by making DOTAX, instead of DBEDT, responsible for administering the Tax Credit. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1082, H.D. 2.

Signed by all members of the Committee.

**SCRep. 600 Economic Revitalization, Business, & Military Affairs on H.B. No. 658**

The purpose of this bill is appropriate funds for a full-time counselor position for the Maui Office of Veterans' Services.

Vietnam Veterans of Maui County submitted testimony in support of this bill. The Office of Veterans' Services (OVS) supported the intent of this measure.

Your Committee finds that OVS provides crucial counseling and other services to connect individual veterans with federal agencies and assistance. The absence of a counselor in the Maui Office of Veterans' Services would prevent thousands of veterans from accessing available federal funds and assistance. Therefore, your Committee finds that funding this position is of utmost importance.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 658 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 601 Economic Revitalization, Business, & Military Affairs on H.B. No. 1242**

The purpose of this bill is to maximize the tax revenues collected by the State by requiring the Department of Taxation to establish a taxpayer noncompliance identification program.

IBM and a concerned individual testified in support of this bill. The Department of Taxation and State of New York Department of Taxation and Finance offered comments.

Your Committee finds that for the past seven years, the State of New York has successfully used a taxpayer noncompliance identification program to address its tax gap. In mid-2008, the State of New York's tax revenue savings were estimated to be at \$600,000,000.

Your Committee considers the program in this bill to be of the highest priority for the State of Hawaii. Establishment of the program, for which the necessary infrastructure already exists, would be funded by moneys captured through the program, and would allow the State to address its tax gap using a mechanism that does not violate civil rights.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1242, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 602 Economic Revitalization, Business, & Military Affairs on H.B. No. 898**

The purpose of this bill is to reduce traffic congestion on Hawaii's roadways by establishing a Telecommuting Income Tax Credit (Tax Credit) applicable to:

- (1) Eligible telecommute expenses incurred by employers, allowing telecommuting to occur; and
- (2) The cost incurred by employers in conducting a telecommute assessment needed to implement a telecommute program that would qualify for the Tax Credit.

This bill also establishes limits on the amount of the Tax Credit that may be claimed by the employer and on the aggregate amount of Tax Credits approved in a calendar year.

The Chamber of Commerce of Hawaii supported this bill. The Department of Taxation opposed this measure. Tax Foundation of Hawaii submitted comments.

Your Committee finds that telecommuting offers numerous benefits for employers and employees alike, as well as for the environment and the state's infrastructure. This measure will allow companies facing increasing rents and other costs to downsize their physical presence while retaining employees. The *Honolulu Star-Bulletin* recently published an opinion piece recognizing the benefits of telecommuting, and indicated that studies have shown better workforce productivity and improved employee retention and job satisfaction.

To encourage further discussion on this matter, your Committee has amended this measure by changing:

- (1) The amount of the Tax Credit available to employers for eligible telecommute expenses incurred to unspecified amounts;
- (2) The amount of the Tax Credit available to employers for the costs incurred in conducting a telecommute assessment to an unspecified amount;
- (3) The limits on the amount of the Tax Credit that may be claimed by the employer and on the aggregate amount of Tax Credits approved in a calendar year to unspecified amounts; and
- (4) Changing its effective date to July 1, 2112.

Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 898, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 603 Economic Revitalization, Business, & Military Affairs on H.B. No. 1593**

The purpose of this bill is to help small businesses to continue to serve the community in their current locations by establishing certain limits on the renegotiation of commercial or industrial lease rent where the terms of the lease require the renegotiated annual rent to be fair and reasonable.

Servco Pacific Inc., Citizens for Fair Valuation, Olelo Community Television, and several concerned individuals testified in support of this bill. Alexander & Baldwin, Inc. opposed this measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1593 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 604 Economic Revitalization, Business, & Military Affairs on H.B. No. 1503**

The purpose of this bill is to allow the goals of job creation, labor rights, and environmental protection to be supported by our business laws by establishing a special class of limited liability companies (LLC) called "ingenuity companies" that would use patent rights to:

- (1) Create and retain good jobs within Hawaii and the United States;

- (2) Strengthen labor rights nationally and internationally; and
- (3) Enhance environmental protection nationally and internationally.

A concerned individual supported this bill. The Department of Commerce and Consumer Affairs and several concerned individuals opposed this bill.

Your Committee finds that this bill attempts to give companies the ability to pursue a higher good, rather than simply to maximize profits, and to do this as an LLC. This bill reflects growing efforts in other jurisdictions to make the public good a recognizable goal under our business laws.

Your Committee has amended this bill by:

- (1) Replacing references to "ingenuity company" with "public purpose company"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1503, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Evans.

**SCRep. 605 Economic Revitalization, Business, & Military Affairs on H.B. No. 1451**

The purpose of this bill is to stimulate the technology sector of the economy while ensuring that incentives provided by the State are used to benefit Hawaii's economy by:

- (1) Extending the Technology Infrastructure Renovation Tax Credit and Tax Credit for Research Activities until 2015;
- (2) Requiring a ten percent workforce increase to continue claiming these credits after two years;
- (3) Allowing 100 percent of these credits to be recaptured if the business moves the research and development, or manufacturing components of its business out of Hawaii within five years of receiving the tax credit; and
- (4) Making permanent, provisions in the High Technology Business Investment Tax Credit law that allow the State to publicly disclose the names of qualified high technology businesses receiving investments.

The Department of Taxation (DOTAX) and Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO supported this bill. The Hawaii Science and Technology Council; PacifiCap Group, LLC; Makai Motion Pictures; NovaSol; Innovasc, Inc.; Atlantis Cyberspace, Inc.; Carbon Diversion, Inc.; Home Baked Entertainment; Oceanic Institute; Pacific Light and Power; Hawaii Aquaculture Association; Cellular Bioengineering, Inc.; Hawaii Crop Improvement Association; Hawaii Biotech, Inc.; Island Planet One Productions; Shinkawa Limited; Integrated Coffee Technologies, Inc.; Ocean Network; JCS Realty, Inc.; Decision Research Corporation; Aloha Island, Inc.; ATCO Software; HR Biopetroleum; SEE/RESCUE Corporation; Pukoa Scientific; Steiner and Associates; Island Film Group; Kinnicutt Consulting, LLC; Ocean Engineering and Energy Systems, Inc.; Cardax Pharmaceuticals, Inc.; Hawaii Venture Capital Association; Archinoetics; DataHouse Consulting, Inc.; BAE Systems; Edutainment Resources, Inc.; PPR Management Services; and several concerned individuals opposed this bill. The Tax Foundation of Hawaii, Strategic Transitions Research, and a concerned individual commented on the measure.

Your Committee recognizes that there is concern about the unpredictability of the amount of high technology tax credits that will be claimed during a taxable year, because this unpredictability makes State budgeting difficult. In addition, there have been reports that the credit is being used by businesses that are not intended beneficiaries of the credit.

Upon consideration, your Committee has removed all amendments made by this bill, except those extending the high technology credits to 2015, and those allowing the State to disclose the names of qualified high technology businesses (QHTBs) that receive tax credit investments.

To address unpredictability and budgeting concerns, your Committee has added language capping the total amount of investment tax credits that may be claimed in a taxable year, to an unspecified dollar amount. To ensure that investments supported by the credit are available to small start-up businesses, credits for investments in any single QHTB have been capped at \$10,000,000.

There have been reports of misuse of the credit in instances in which the taxpayer forms a wholly-owned subsidiary. Accordingly, your Committee has amended this measure to form a High Technology Investment Tax Credit Review Board (Board) consisting of the Director of Taxation and representatives of the high technology and performing arts industries, and investment companies. The Board will review taxpayer appeals in cases where DOTAX denies certification of a credit for investment in a wholly-owned subsidiary. DOTAX may also request advice from the Board when it initially certifies credits. The Board is to report annually to the Legislature on ways to improve the fair and accountable administration of the High Technology Investment Tax Credit. The Board is set to sunset on July 1, 2021, to allow the Board to report and provide information to the Legislature at the end of the last five year period in which the investment credit may be claimed.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1451, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Manahan and Tokioka.

**SCRep. 606 Consumer Protection & Commerce on H.B. No. 874**

The purpose of this bill is to prohibit residential real property deed restrictions or other covenants running with the land (covenants) requiring the payment of fees for the future transfer of the property, except fees payable to the government.

The Hawaii Legislative Action Committee of the Community Associations Institute and Hawaii Association of REALTORS supported the intent of this bill. The Mortgage Bankers Association of Hawaii opposed this measure.

This bill seeks to prohibit deed restrictions or covenants imposing fees on transferees every time the property is transferred. These restrictions run with the land and are not always disclosed to buyers until the closing of a property sale. Moreover, these fees may be used to generate income on recurring transfers of homes long after their initial sale.

Your Committee received testimony expressing concerns over the apparent lack of regulation over the imposition of such fees. While this bill seeks to address this issue by prohibiting these fees altogether, there are concerns that the broad language of this bill may inadvertently encompass various types of real property transactions that trigger usual and customary fees, such as those collected upon the conveyance of homes and apartments within common interest communities.

Furthermore, your Committee finds that the provisions of this bill, as amended, are more suitably placed in Chapter 501, Hawaii Revised Statutes (HRS) (relating to Land Court registration) and Chapter 502, HRS (relating to Bureau of Conveyances recordation). Accordingly, your Committee has amended this bill by replacing its entire contents with similar provisions amending chapters 501 and 502, HRS, to prohibit residential real property deed restrictions or other covenants requiring the payment of fees for the future transfer of the property, but allowing such fees or charges for certain residential real property transactions relating to:

- (1) Payments to a lender on a mortgage loan secured by the property;
- (2) Payments to homeowners', condominium, cooperative, or property owners' associations pursuant to a declaration, covenant, or law applicable to the association;
- (3) Lease payments and charges to landlords;
- (4) Payments to the holder of an option to purchase an interest in residential real property or holder of a right of first refusal or first offer to purchase such an interest, for waiving the option or right upon transfer of the property to another person; and
- (5) Payments to a government entity.

Your Committee has incorporated these changes with the understanding that further amendments may be necessary as this bill moves forward and the various stakeholders work to reconcile their concerns.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 874, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 607 Consumer Protection & Commerce on H.B. No. 700**

The purpose of this bill is to require mutual and fraternal benefit societies, health maintenance organizations, and health plans other than government payers to pay:

- (1) Critical access hospitals no less than 101 percent of cost for services; and
- (2) Federally qualified health centers no less than their respective prospective payment system rates.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation Corporate Board of Directors, Hawaii Primary Care Association, and Lanai Women's Center dba Lanai Community Health Center testified in support of this bill. Summerlin Life & Health Insurance Company and the Hawaii Association of Health Plans opposed this measure. The Hawaii Medical Service Association offered comments.

Your committee notes that there is disagreement among the stakeholders on the definition of "cost." Your Committee respectfully encourages your Committee on Finance to do a critical analysis of how costs will be determined.

Accordingly, your Committee has amended this bill by blanking out the percentage amounts of costs for all services provided that will be paid to critical access hospitals and federally qualified health centers.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 700, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 700, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 608 Consumer Protection & Commerce on H.B. No. 1014**

The purpose of this bill is to:

- (1) Reduce the monthly wireless enhanced 911 surcharge from 66 cents to 29 cents;
- (2) Expand the use of the wireless enhanced 911 fund to include cost recovery for improvements and maintenance of phase I and II wireless enhanced 911 service, as well as costs expended by the wireline provider for such purposes; and
- (3) Prohibit any conflicts of interest by those hired by the Wireless Enhanced 911 Board to perform various administrative duties.

Your Committee received testimony in support of this measure from Hawaiian Telcom. The Police Department of the City and County of Honolulu supported the intent of the measure. The Department of Accounting and General Services and an anonymous individual submitted testimony in support of the measure as originally introduced. The Department of Information Technology of the City and County of Honolulu provided comments. Testimony in opposition was received from AT&T.

Your Committee finds that this measure, as introduced, presented an opportunity for the Legislature to consider the future of enhanced 911 services in the State and how those services should be funded. Legislative oversight is necessary to ensure that the system meets the public's needs without spending more than is necessary or imposing undue financial burdens either on consumers or taxpayers. Accordingly, while preserving the conflict of interest prohibition added by your Committee on Public Safety, your Committee has amended this measure by restoring its original contents. As amended, this measure would also:

- (1) Provide for a single entity to administer the enhanced 911 services by:
  - (A) Renaming the Wireless Enhanced 911 Board the "Enhanced 911 Board" and adding representatives of the Public Utilities Commission, voice over internet protocol providers, and local exchange carriers to the Board;
  - (B) Broadening the coverage of communication services and providers by adding definitions of "communication service", "communication service connection", "communication service provider", among other definitions, to include services and providers of local landline telephones, cellular telephones, wireless communication, interconnected voice over internet protocol, or any other service or technology by which a caller can contact a 911 call center;
  - (C) Authorize any "communication service provider" to seek reimbursement of enhanced 911 service costs from the enhanced 911 fund, including the incumbent local exchange carrier; and
  - (D) Removing references to "wireless" and "commercial mobile radio service" in chapter 138, Hawaii Revised Statutes.
- (2) Reduce the monthly surcharge on cellular telephone accounts for enhanced 911 service from 66 cents to 46 cents;
- (3) Impose the monthly surcharge on landline, voice over internet protocol, and any other communication service able to contact a 911 call center;
- (4) Repeal the provision that surcharge funds are not general funds of the State;
- (5) Repeal the requirement that expenses related to overhead, staffing, and other day-to-day expenses of operating 911 call centers be paid through the general funding of the respective counties;
- (6) Repeal the provision reserving two-thirds of surcharge funds for reimbursement of 911 call centers and one-third for wireless service providers;
- (7) Increase the authority of Board to spend surcharge funds not just to reimburse costs of implementing enhanced 911 service but on funding operation of the enhanced 911 system generally; and
- (8) Reinstate the authority for proxy voting by Board members, which was repealed by Act 22, Session Laws of Hawaii 2008.

Your Committee has also amended this measure by changing the effective date to January 1, 2020, to facilitate further discussion of the issues it raises.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1014, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1014, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

#### **SCRep. 609 Consumer Protection & Commerce on H.B. No. 1071**

The purpose of this bill is to establish within the Department of Commerce and Consumer Affairs (DCCA) a licensure and regulation system over mortgage servicers of residential mortgage loans secured by real property located in Hawaii.

The DCCA and Legal Aid Society of Hawaii testified in support of this bill with amendments. The Hawaii Financial Services Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Blanking out the amount of the license application and renewal fee; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests that your Committee on Finance consider and determine appropriate fee amounts. Your Committee also notes DCCA's concerns raised in their testimony that the Division of Financial Institutions may be a more appropriate division to oversee this program given its staff of experienced financial institution examiners. Your Committee finds it within the discretion of the Director of the DCCA to determine the appropriate division under which this program should be placed. Your Committee on Finance, however, may wish to address this issue when it considers this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1071, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

#### **SCRep. 610 Consumer Protection & Commerce on H.B. No. 984**

The purpose of this measure is to implement recommendations of the Hawaii Broadband Task Force to develop the State's broadband access and infrastructure.

Specifically, this measure:

- (1) Establishes the Hawaii Communications Commission and the Hawaii Communications Commissioner within the Department of Commerce and Consumer Affairs;
- (2) Transfers regulatory functions relating to telecommunications providers from the Public Utilities Commission to the Hawaii Communications Commission;
- (3) Transfers regulatory functions relating to cable operators from the Department of Commerce and Consumer Affairs to the Hawaii Communications Commission.
- (4) Authorizes the Hawaii Communications Commission to designate one public, educational, or governmental (PEG) access organization in each county, establishes terms for PEG access organization services, and requires the Hawaii Communications Commission to assess maximum access fees permitted under federal law to fund PEG access organizations;
- (5) Establishes the Hawaii Communications Commission Special Fund to be administered by the Hawaii Communications Commission, to fund the operations of the Hawaii Communications Commission;
- (6) Provides that penalties collected by the Hawaii Communications Commission shall be deposited in the Hawaii Communications Commission Special Fund, instead of the general fund;
- (7) Requires the Public Utilities Commission and the Department of Commerce and Consumer Affairs to each transfer four positions to service the Hawaii Communications Commission and requires up to ten additional general funded positions to be transferred to the Hawaii Communications Commission and funded from the Hawaii Communications Commission Special Fund;
- (8) Requires the Hawaii Communications Commission to convene a work group to develop procedures for streamlined regulatory, franchising, and permitting for broadband service and technology and requires the work group to report its findings to the Legislature no later than January 1, 2010;
- (9) Requires the Hawaii Communications Commission to begin implementing the recommendations of the working group by July 1, 2010; and
- (10) Requires the Hawaii Communications Commission to review Hawaii laws relating to broadband and related subjects, and recommend amendments of these laws to conform to the new Hawaii Communications Commission law, or to facilitate implementation of that law.

Akaku: Maui Community Television, 'Olelo Community Television, High Technology Development Corporation, and one concerned individual testified in support of this measure. Oceanic Time Warner Cable and TW Telecom testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Department of Human Resources Development, Public Utilities Commission, University of Hawaii, Verizon Communications, Hawaiian Telcom, International Brotherhood of Electrical Workers, and Public Safety Hawaii submitted comments on this measure.

Your Committee finds that this measure will enable the provision of widespread affordable broadband access for Hawaii. Your Committee further finds that expanded broadband access will facilitate greater economic opportunities for the State. However, your Committee has concerns with provisions of the bill that may have detrimental effects on ratepayers or on other state departments. Your Committee is also concerned that the provisions of this measure that establish PEG access organizations, PEG service requirements, and PEG access fees may unnecessarily increase costs for cable subscribers while eliminating funds available for other public television services.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that Chapter 269, Hawaii Revised Statutes (the Public Utilities Commission law), will apply to telecommunications carriers and telecommunications common carriers until July 1, 2009, when the Hawaii Communications Commissioner is sworn in and assumes authority;
- (2) Authorizing the Public Utilities Commission to continue to exercise its authority until July 1, 2010, over telecommunications carriers and telecommunications common carriers with regard to proceedings begun prior to July 1, 2009;
- (3) Deleting sections -68, -69, and -70 relating to PEG access organizations, PEG services, and PEG access fees in section 2 of this measure;
- (4) Deleting section -14(d) in section 2 of this measure that establishes notice requirements for PEG access organization designation hearings;
- (5) Deleting the requirement that the Public Utilities Company transfer four positions to serve the Hawaii Communications Commission; and
- (6) Making technical amendments for the purposes of clarity, consistency, and style.

Upon further consideration, your Committee finds that the term "broadband" encompasses many other applications than internet access. Therefore, your Committee recommends that later committees hearing this measure consider expanding the definition of "broadband" found in section -1 of section 2 of this measure, to reflect the various applications and technologies that broadband may include. In addition, your Committee finds that this undertaking provides opportunities to receive and use federal economic stimulus funds. Your Committee, therefore, recommends that later committees hearing this measure consider amendments that allow for the use of federal stimulus funds to expand broadband access in the State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 984, H.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 984, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Mizuno.

**SCRep. 611 Human Services on H.B. No. 1776**

The purpose of this bill is to help enforce provisions prohibiting inmates in correctional facilities from receiving public assistance they are not entitled to by:

- (1) Requiring the Department of Public Safety to provide the Department of Human Services (DHS) with a monthly report listing newly admitted inmates; and
- (2) Requiring DHS to identify the status of each inmate on the monthly list with respect to the inmate's current receipt of public assistance.

A concerned individual testified in support of this bill. DHS supported the intent of this measure.

Your Committee notes that not only does this measure have the potential to save the State money by more accurately and efficiently stopping public assistance payments to inmates who are not eligible to receive them, but it will also help protect the families of inmates still receiving public assistance from being unintentionally overpaid, which can result in a reduction of future benefits for those families through no fault of their own.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 612 Human Services on H.B. No. 332**

The purpose of this bill is to assist victims of violence by providing unemployment insurance (UI) benefits to those victims who are separated from their jobs due to domestic or sexual violence.

The Hawaii State Coalition Against Domestic Violence and Sex Abuse Treatment Center testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) provided comments.

This bill is intended to minimize the physical and emotional injuries to domestic and sexual violence victims and provide the financial independence necessary to leave abusive situations while reducing the devastating economic consequences to employers and employees by providing UI benefits to those who leave or lose their job due to domestic or sexual violence.

Your Committee notes that DLIR expressed concerns regarding the 30-day grace period and the non-charging of benefits against the account of the individual's base period employers.

Unemployed individuals must, by law, be registered for work and be able and available to work to be eligible for UI benefits. There is no 30-day grace period under the law. In addition, the United States Department of Labor has consistently interpreted federal provisions governing the UI program as requiring the recipient to be ready, willing, and able to accept immediate suitable employment. Failure to meet federally established guidelines relating to being able and available to work may raise a conformity issue, and if the state law is in violation, UI funding may be jeopardy.

Also, DLIR feels a change to the current law is unwarranted with respect to the non-charging of benefits paid in discharge of individuals due to circumstances specified in this measure since statute already permits non-charging in circumstances where the employer has no control over an employee's resignation, or where the employee acted in willful disregard of an employer's interests.

Despite these concerns, DLIR supports the purpose of this measure and is willing to work cooperatively with all involved as this bill moves through the legislative process to draft suitable language that is mutually agreeable to all.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 332, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 613 Human Services on H.B. No. 1429**

The purpose of this bill is to maintain the positive connections between local National Guard soldiers and at-risk youth by appropriating Temporary Assistance for Needy Families funds to continue the operation of the Hawaii National Guard's About Face family of programs.

The Department of Human Services (DHS) and Department of Defense testified in support of this bill. The Office of Youth Services supported the intent of this measure.

When receiving full funding, the About Face family of programs serves approximately 3,000 at-risk middle and high school youth. Most of these youth are still in school and the programs focus on maintaining school attendance and success, and preventing disciplinary problems. DHS stated that these programs have been a positive influence on the families involved and supports their continued funding.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1429, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 614 Human Services on H.B. No. 1021**

The purpose of this bill is to ensure the protection of Hawaii's children and more aggressively prevent possession and dissemination of child pornography by:

- (1) Criminalizing the possession of ten or more images of any form of child pornography as promoting child abuse in the second degree;

- (2) Mandating that a person convicted of promoting child abuse in the second degree serve a minimum five-year term of imprisonment; and
- (3) Mandating that if a person is convicted of promoting child abuse in the third degree and sentenced to probation, that probation shall include a minimum of one year imprisonment.

The Attorney General, Department of the Prosecuting Attorney for the County of Maui, Sex Abuse Treatment Center, and several concerned individuals testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2525, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1021, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Nishimoto and Yamane.  
(Representative Bertram voted no.)

### **SCRep. 615 Hawaiian Affairs/Housing on H.B. No. 1612**

The purpose of this bill is to allow the Department of Hawaiian Home Lands (DHHL) to partner with developers who are interested in satisfying their affordable housing requirements through agreements with DHHL, by:

- (1) Authorizing DHHL to receive, assign, transfer, or exchange county affordable housing credits; and
- (2) Authorizing the counties to provide affordable housing credits to DHHL.

Kamehameha Schools, Building Industry Association of Hawaii, Hawaii Developers' Council, The Chamber of Commerce of Hawaii, Council for Native Hawaiian Advancement, Land Use Research Foundation of Hawaii, Hawaii Habitat for Humanity Association, Waimea Hawaiian Homesteaders' Association, Inc., Maluohai Residents' Association, and a concerned individual supported this bill. DHHL supported the intent of this bill.

Your Committees heard testimony that there are private housing developments in Hawaii that are entitled to begin construction but are "dead in the water" because of the economic downturn. It was asserted that this bill would make these market-driven projects feasible for developers and serve as a stimulus for our economy.

However, concerns were also raised that authorizing these credits might have several unintended effects. First, they might increasingly segregate communities in Hawaii by removing affordable housing units from high-end housing developments. Furthermore, the additional affordable housing supported by these credits would primarily benefit a limited segment of Hawaii's people—the native Hawaiian beneficiaries of the Hawaiian Homes Commission Act.

Your Committees believe that this bill has the potential to help the State address its affordable housing, Hawaiian Homestead housing, and economic stimulus needs.

Accordingly, your Committees have amended this bill by:

- (1) Inserting provisions clarifying the counties' role and powers relative to the affordable housing credits authorized by this bill; and
- (2) Changing the effective date of the bill to July 1, 2011.

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

Your Committees also believe that the counties should be at the table to discuss this bill and respectfully request the Committee on Finance to consider the position of the counties on this measure.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1612, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1612, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Herkes, Ito, C. Lee, Luke, Nishimoto and Sagum.

### **SCRep. 616 Hawaiian Affairs on H.B. No. 901**

The purpose of this bill is to progress toward satisfying requirements in Article XII, sections 4 and 6, of the Hawaii Constitution that a pro rata portion of the income and proceeds of the public lands trust be paid to the Office of Hawaiian Affairs (OHA).

This measure finds that from November 7, 1978, when these constitutional provisions were ratified, to July 1, 2008, OHA's pro rata portion is equivalent to \$200,000,000. This bill takes a step toward providing the \$200,000,000 by, among other things:

- (1) Directing that the fee simple interest in certain property on Oahu and Hawaii islands valued for 2008-2009 at \$127,203,140 be conveyed to OHA;
- (2) Taking these lands out of the administration of the Department of Land and Natural Resources and Hawaii Community Development Authority by exempting them from the definition of "public lands" in Chapter 171, Hawaii Revised Statutes, and excluding them from the Kakaako Community Development District, as applicable;



- (3) Authorizing OHA to reject any or all of the properties to be conveyed, if unsuitable for OHA's uses, by written notice not later than October 1, 2009, or six months after the State provides access to state documents concerning the land and to the properties; and
- (4) Providing that property not rejected is to be conveyed to OHA within 30 days of the rejection-notification deadline.

The Office of Hawaiian Affairs, Hawaiian Civic Club of Honolulu, Trust for Public Land, Hawai'i Maoli, Ke Kula Ni'ihau O Kekaha, Historic Hawai'i Foundation, Kaumakapili Church, Ko'olau Foundation, Kai'Opua Canoe Club, Waimanalo Hawaiian Homes Association, I Ola Lahui Rural Hawai'i Behavioral Health Program, Wai'anae Maritime Academy, Native Hawaiian Hospitality Association, Catholic Charities Hawai'i, Goodwill Industries of Hawaii, Papahana Kuaola, Wai'anae Coast Early Childhood Services, Hope, Help & Healing Kauai, and numerous concerned individuals supported this bill. Ko'olaupoko Hawaiian Civic Club supported the bill with amendments. The Department of Hawaiian Home Lands supported the intent of this measure. The Hawaiian Political Action Council of Hawaii and several concerned individuals opposed this bill. The Department of the Attorney General and several individuals commented on this bill.

Your Committee finds that this bill is a statement of legislative policy in support of satisfying the State's constitutional obligation to provide OHA with a pro rata portion of the public land trust income and proceeds and is not the settlement itself. Further, this bill applies to these OHA claims and not to the claims of all native Hawaiians.

Public hearings on this measure were held on Maui, the Big Island, and Kauai. In response to concerns raised on the Big Island, your Committee has amended this measure by removing the property located on Hilo Banyan Drive from the list of properties to be conveyed to OHA.

In addition, your Committee has added a provision making clear the Legislature's intent that the land conveyed be held in trust by OHA and be transferred to the native Hawaiian nation upon its recognition by the United States and the State of Hawaii.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 901, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 617            Judiciary on H.B. No. 981**

The purpose of this bill is to resolve a number of outstanding issues in the transition to the use of ignition interlock devices by enacting recommendations made by the Ignition Interlock Implementation Task Force (IIITF) pursuant to Act 171, Session Laws of Hawaii 2008.

The Department of Health, Honolulu Police Department, IIITF, and Mothers Against Drunk Driving – Hawaii supported this bill. The Department of Transportation and Department of the Prosecuting Attorney of the City and County of Honolulu supported this measure with amendments. The Hawaii Insurers Council opposed this bill. The Judiciary, Department of the Attorney General, and Office of the Public Defender submitted comments.

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

- (1) Deleting a provision that made the refusal to submit to a breath, blood, or urine test to determine alcohol levels in the body a petty misdemeanor;
- (2) Removing provisions allowing for an emergency override of an ignition interlock system in emergency situations;
- (3) Ensuring that a person sentenced for driving under the influence will not be able to have the sentence suspended;
- (4) Permitting probationary periods of 18 to 24 months for persons convicted under various conditions for driving under the influence;
- (5) Changing the effective dates to:
  - (A) June 29, 2010, for section 11 of the bill to maintain consistency with effective dates set in Act 171, SLH 2008; and
  - (B) January 1, 2011, for the remaining provisions of the bill;

and

- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 981, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita and Wakai.

**SCRep. 618            Judiciary on H.B. No. 215**

The purpose of this bill is to update, organize, clarify, and recodify campaign finance laws.

The Campaign Spending Commission supported this bill. The Judiciary offered comments.

Your Committee has amended this bill by:

- (1) Defining "limited liability company" (LLC) and adding LLC to the definition of "person;"
- (2) Authorizing, rather than requiring, fines for failure to file a report or filing a deficient report;

- (3) Removing from the definition of "electioneering communication" the provision that an advertisement is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate;
- (4) Limiting the prohibition on contractors with the state and counties to prohibiting contributions only from those contractors that have entered into non-bid contracts;
- (5) Removing the provision limiting contributions to noncandidate committees to \$1,000;
- (6) Removing provisions relating to contributions from nonresidents;
- (7) Adding provisions relating to contributions by partnerships and LLCs;
- (8) Deleting provisions requiring conforming amendments to be made to this bill if other laws are passed that affect Chapter 11, part XII, subpart B, Hawaii Revised Statutes, which is repealed in this measure;
- (9) Changing the effective date to January 1, 2046, to facilitate further discussion; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 215, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 619 Housing/Water, Land, & Ocean Resources on H.B. No. 1188**

The purpose of this bill is to increase the number of eligible households for which the counties may provide flexibility in land use density provisions and public facility requirements, and to which the Housing Finance and Development Corporation (HHFDC) may lease land for \$1 per year per parcel to nonprofit organizations that provide affordable housing, by lowering threshold income limits from 140 percent to 80 percent of area median incomes.

The Office of Hawaiian Affairs, Habitat for Humanity, and several concerned individuals testified in support of this bill. HHFDC, Housing Hawaii, and a concerned individual provided comments.

Upon further consideration, your Committees have amended this bill by changing the threshold income limit from 80 percent to 100 percent. A technical, nonsubstantive amendment has also been made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1188, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1188, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Luke.

**SCRep. 620 Finance on H.B. No. 39**

The purpose of this bill is to effectuate its title.

H.B. No. 39 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 39, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 39, H.D. 1.

Signed by all members of the Committee.

**SCRep. 621 Finance on H.B. No. 42**

The purpose of this bill is to effectuate its title.

H.B. No. 42 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 42, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 42, H.D. 1.

Signed by all members of the Committee.

**SCRep. 622 Finance on H.B. No. 1153**

The purpose of this bill is to effectuate its title.

H.B. No. 1153 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1153, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1153, H.D. 1.

Signed by all members of the Committee.

**SCRep. 623 Finance on H.B. No. 1260**

The purpose of this bill is to effectuate its title.

H.B. No. 1260 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1260, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1260, H.D. 1.

Signed by all members of the Committee.

**SCRep. 624 Consumer Protection & Commerce on H.B. No. 1639**

The purpose of this bill is to help condominium associations recover delinquent assessments by:

- (1) Eliminating the \$1,800 cap on special assessments that associations may impose on foreclosure sale purchasers of a delinquent unit with unpaid common expense assessments; and
- (2) Expanding the types of charges that may be recovered through these special assessments.

The Hawaii Legislative Action Committee of the Community Associations Institute, Hawaii Independent Condominium & Cooperative Owners, Hawaii Association of REALTORS, Hawaii Council of Associations of Apartment Owners, and several concerned individuals testified in support of this bill.

Currently, condominium associations may recover up to six months of unpaid assessments from the purchaser of a delinquent unit in a foreclosure sale, capped at \$1,800. Association losses from unpaid assessments are typically made up from the sale of the delinquent unit or by increases in assessments for the other owners. However in a weak housing market, many delinquent units carry debts that exceed the market value of the unit, and increases in owner assessments may lead to further delinquencies.

This bill enhances the ability of associations to fill these losses through special assessments on those who buy delinquent units at distress prices at foreclosure sales. The elimination of the \$1,800 cap on such special assessments addresses rising common expense costs, and expansion of the types of charges included in these assessments will help associations cover expenses for common elements and amenities that benefit all owners in a community.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1639 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 625 Consumer Protection & Commerce on H.B. No. 254**

The purpose of this bill is to promote competition in the telecommunications marketplace by requiring the Public Utilities Commission (PUC) to treat land-line phone services as "fully competitive" with regard to costs, rates, and pricing, in essence deregulating these phone services to bolster competition with other forms of telecommunications.

The Chamber of Commerce of Hawaii, Enterprise Honolulu, International Brotherhood of Electrical Workers Local Union 1357, and Hawaiian Telcom testified in support of this bill. Sprint Nextel opposed this measure. The Consumer Advocate, PUC, and AT&T provided comments.

Under subchapter 3 of Chapter 6-80, Hawaii Administrative Rules, telecommunications services are classified as "fully competitive," "partially competitive," or "noncompetitive," with varying degrees of regulation over costs, rates, and pricing. Under these categories, the incumbent local exchange carrier, Hawaiian Telcom, is subject to regulations designed to increase market competition. However, today's consumers can obtain phone services from a wide variety of wireless and voice-over-internet protocol providers that are not subject to the same level of regulation. This bill seeks to update Hawaii's regulatory framework for telecommunications to create market parity among all phone service providers.

Your Committee has amended this bill by replacing references to "switched access service" or like terms with "local exchange intrastate service" or like terms, to clarify that this bill is not intended to cover local exchange carrier services for long distance carriers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 254, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Luke and Mizuno.

**SCRep. 626            Judiciary on H.B. No. 349**

The purpose of this bill is to allow the admission of character evidence showing the aggressiveness of the defendant if the court allows the admission of character evidence showing the aggressiveness of the complaining witness.

The Judiciary, Department of the Attorney General, County of Hawaii Office of the Prosecuting Attorney, City and County of Honolulu Department of the Prosecuting Attorney, and County of Maui Department of the Prosecuting Attorney testified in support of this bill. The Office of the Public Defender and Hawaii Association of Criminal Defense Lawyers opposed this measure.

Your Committee has amended this bill by changing its effective date to July 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 349, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll and McKelvey.  
(Representatives Luke and Morita voted no.)

**SCRep. 627            Judiciary on H.B. No. 539**

The purpose of this bill is to amend the campaign spending law by:

- (1) Prohibiting a corporation or company from making a campaign contribution from its treasury directly to:
  - (A) A candidate or candidate's committee;
  - (B) A noncandidate committee other than one established by the corporation or company; or
  - (C) A political party;
- (2) Permitting a corporation or company to contribute from its treasury not more than \$25,000 in any two-year election period to not more than one noncandidate committee established by the corporation or company; and
- (3) Allowing a corporation's or company's noncandidate committee to make a campaign contribution to any other noncandidate committee under the same conditions and restrictions as applicable to a person or entity.

The Hawaii Transportation Association testified in support of this bill. The Campaign Spending Commission supported the intent of this measure. The Green House, Americans for Democratic Action/Hawaii, Common Cause Hawaii, Progressive Democrats of Hawaii, and many concerned individuals opposed this bill. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Deleting the purpose section of the bill;
- (2) Deleting the prohibition on direct contributions from corporations or companies to candidates or candidates' committees, to noncandidate committees other than their own, or to political parties;
- (3) Removing the \$1,000 restriction on contributions by persons or any other entities to noncandidate committees;
- (4) Allowing corporations and companies to contribute an unlimited amount to their own noncandidate committees; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 539, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll and McKelvey.  
(Representatives Belatti, Marumoto and Thielen voted no.)

**SCRep. 628            Consumer Protection & Commerce/Judiciary on H.B. No. 1475**

The purpose of this bill is to improve government transparency by requiring the Public Utilities Commission (PUC) to post notifications of regulatory proceedings on its web site.

This bill also amends the deadline for filing motions to intervene or participate in certain PUC proceedings to a time frame after notice of initiation of the proceeding is posted on PUC's web site.

Life of the Land testified in support of this bill. The Hawaii Energy Policy Forum supported the intent of this measure. PUC and the Consumer Advocate provided comments.

This bill attempts to improve the means by which PUC notifies the general public of the initiation of regulatory proceedings so that interested stakeholders are afforded a reasonable opportunity to intervene and participate in matters that affect them. While PUC has stated it is finalizing an online Docket Management System that would meet the requirements of this bill, your Committees are moving this bill along for further discussion and to maximize the available options for improving public notice in this area.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1475 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 629 Water, Land, & Ocean Resources on H.B. No. 595**

The purpose of this bill is to, among other things, increase public awareness of conservation management of the ocean environment by designating June 8 of each year as World Ocean Day.

The Nature Conservancy of Hawaii, Kai Makana, Hawaii Audubon Society, Hawaii Arts Alliance, Keahiakahoe Canoe Club, Malama Hawaii, Hui Malama I Ke Kai Foundation, Girl Scout Troop 401, Trilogy Excursions, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 630 Human Services on H.R. No. 35**

The purpose of this resolution is to help protect Hawaii's children by declaring April as Child Abuse Prevention Month.

Several concerned individuals testified in support of this measure.

Your Committee recognizes that the best cure for child abuse is to prevent its occurrence. This objective can more adequately be accomplished when the public is fully aware of this serious issue and can therefore work cooperatively to ensure that all children live in safe, healthy, and harmonious environments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 35 and recommends its adoption.

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

**SCRep. 631 Human Services on H.C.R. No. 44**

The purpose of this concurrent resolution is to help protect Hawaii's children by declaring April as Child Abuse Prevention Month.

A concerned individual testified in support of this measure.

Your Committee recognizes that the best cure for child abuse is to prevent its occurrence. This objective can more adequately be accomplished when the public is fully aware of this serious issue and can therefore work cooperatively to ensure that all children live in safe, healthy, and harmonious environments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44 and recommends its adoption.

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

**SCRep. 632 Human Services on H.R. No. 37**

The purpose of this resolution is provide support to victims of domestic violence by urging the United States Congress to maintain funding and programs that assist victims of domestic violence.

The Hawaii Immigrant Justice Center, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this measure.

Victims of domestic violence are often left feeling hopeless and alone without emotional, psychological, and social support. Your Committee encourages all agencies and individuals to continue to protect and maintain the lifelines that victims of domestic violence so desperately need and depend upon.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 37 and recommends its adoption.

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

**SCRep. 633 Human Services on H.C.R. No. 46**

The purpose of this concurrent resolution is to provide support to victims of domestic violence by urging the United States Congress to maintain funding and programs that assist victims of domestic violence.

The Hawaii Immigrant Justice Center, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this measure.

Victims of domestic violence are often left feeling hopeless and alone without emotional, psychological, and social support. Your Committee encourages all agencies and individuals to continue to protect and maintain the lifelines that victims of domestic violence so desperately need and depend upon.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

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

**SCRep. 634 Human Services on H.R. No. 32**

The purpose of this resolution is to raise public awareness of domestic violence and its consequences by recognizing October 2009 as Domestic Violence Awareness Month.

The Hawaii State Coalition Against Domestic Violence and a concerned individual testified in support of this measure.

Domestic violence, which includes intimate partner violence, has devastating psychological, emotional, and physical consequences that can last well after the actual abuse has stopped.

Your Committee commends the organizations and individuals that have come forward to offer advice and support services to victims of domestic violence and encourages increased efforts to raise public consciousness in a concerted effort to prevent future abuse.

Your Committee has amended this resolution by:

- (1) Removing the year designation to recognize Domestic Violence Awareness month in October of every year; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 32, H.D. 1.

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

**SCRep. 635 Human Services on H.C.R. No. 38**

The purpose of this concurrent resolution is to raise public awareness of domestic violence and its consequences by recognizing October 2009 as Domestic Violence Awareness Month.

The Hawaii State Coalition Against Domestic Violence and several concerned individuals testified in support of this measure.

Domestic violence, which includes intimate partner violence, has devastating psychological, emotional, and physical consequences that can last well after the actual abuse has stopped.

Your Committee commends the organizations and individuals that have come forward to offer advice and support services to victims of domestic violence and encourages increased efforts to raise public consciousness in a concerted effort to prevent future abuse.

Your Committee has amended this concurrent resolution by:

- (1) Removing the year designation to recognize Domestic Violence Awareness month in October of every year; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 38, H.D. 1.

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

**SCRep. 636 Human Services on H.R. No. 9**

The purpose of this resolution is to urge faith-based organizations to network and cooperate to support foster families in Hawaii.

Testimony in support of this resolution was submitted by a concerned individual.

Your Committee recognizes that our state's most precious resource is our children. It is also recognized that our children, especially foster children, need to have the opportunities to reach their highest potential. All organizations have a vital interest in sharing this enormous responsibility. In order to give all of them the best chances, faith-based organizations need to network and cooperate in supporting foster families in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 9 and recommends its adoption.

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

**SCRep. 637 Human Services on H.C.R. No. 5**

The purpose of this concurrent resolution is to urge faith-based organizations to network and cooperate to support foster families in Hawaii.

Testimony in support of this concurrent resolution was submitted by a concerned individual.

Your Committee recognizes that our state's most precious resource is our children. It is also recognized that our children, especially foster children, need to have the opportunities to reach their highest potential. All organizations have a vital interest in sharing this enormous responsibility. In order to give all of them the best chances, faith-based organizations need to network and cooperate in supporting foster families in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5 and recommends its adoption.

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

**SCRep. 638 Human Services on H.R. No. 29**

The purpose of this resolution is to support international white ribbon campaigns to end men's violence against women and encourage the establishment of a white ribbon campaign organization in Hawaii.

The Hawaii State Coalition Against Domestic Violence (HSCADV) and a couple of concerned individuals testified in support of this resolution.

Your Committee commends the White Ribbon Campaign originally established by men in Canada for their efforts against violence of all forms. As the activities of the White Ribbon Campaign have spread around the world, it has also reached Hawaii. It is vitally important to support the White Ribbon Campaigns around the world. And in doing so, it is critical to encourage the local men and boys to establish our own White Ribbon Campaign here in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29 and recommends its adoption.

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

**SCRep. 639 Human Services on H.C.R. No. 32**

The purpose of this concurrent resolution is to support international white ribbon campaigns to end men's violence against women and encourage the establishment of a white ribbon campaign organization in Hawaii.

The Hawaii State Coalition Against Domestic Violence (HSCADV) and a concerned individuals testified in support of this concurrent resolution.

Your Committee commends the White Ribbon Campaign originally established by men in Canada for their efforts against violence of all forms. As the activities of the White Ribbon Campaign have spread around the world, it has also reached Hawaii. It is vitally important to support the White Ribbon Campaigns around the world. And in doing so, it is critical to encourage the local men and boys to establish our own White Ribbon Campaign here in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 32 and recommends its adoption.

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

**SCRep. 640 Human Services on H.R. No. 33**

The purpose of this resolution is to specify a time to educate the public about the various components of foster care, including foster parents, children, and families by recognizing the month of May as "Foster Care Awareness Month."

A concerned individual testified in support of this resolution.

Your Committee acknowledges that the foster care system plays an important role in cultivating the futures of our foster children. But, there are many difficulties faced by foster children. These difficulties can be prevented by a stable home and a loving family. The first step in the prevention of these problems is raising awareness and educating the public about the various components of foster care.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 33 and recommends its adoption.

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

**SCRep. 641 Human Services on H.C.R. No. 39**

The purpose of this concurrent resolution is to specify a time to educate the public about the various components of foster care, including foster parents, children, and families by recognizing the month of May as "Foster Care Awareness Month."

A concerned individual testified in support of this concurrent resolution.

Your Committee acknowledges that the foster care system plays an important role in cultivating the futures of our foster children. But, there are many difficulties faced by foster children. These difficulties can be prevented by a stable home and a loving family. The first step in the prevention of these problems is raising awareness and educating the public about the various components of foster care.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 39 and recommends its adoption.

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

**SCRep. 642 Human Services on H.R. No. 31**

The purpose of this resolution is to request religious and faith-based organizations to serve as safe havens for domestic violence victims.

Testimony in support of this resolution was submitted by the Hawaii State Coalition Against Domestic Violence and a concerned individual.

Your Committee recognizes that religious and faith-based organizations are a crucial source of support for victims of domestic violence. This support comes in various forms, at central locations found to be safe, for domestic violence victims. To further encourage assistance to victims of abuse, religious and faith-based communities should be asked to serve as safe havens where one can find the support and peace every person deserves.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 31 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 643 Human Services on H.C.R. No. 37**

The purpose of this concurrent resolution is to request religious and faith-based organizations to serve as safe havens for domestic violence victims.

Testimony in support of this concurrent resolution was submitted by the Hawaii State Coalition Against Domestic Violence and a concerned individual.

Your Committee recognizes that religious and faith-based organizations are a crucial source of support for victims of domestic violence. This support comes in various forms, at central locations found to be safe, for domestic violence victims. To further encourage assistance to victims of abuse, religious and faith-based communities should be asked to serve as safe havens where one can find the support and peace every person deserves.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 644 Finance on H.B. No. 1175**

The purpose of this bill is to effectuate its title.

H.B. No. 1175 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1175, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1175, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 645 Finance on H.B. No. 1184**

The purpose of this bill is to effectuate its title.

H.B. No. 1184 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1184, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1184, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 646 Finance on H.B. No. 1185**

The purpose of this bill is to effectuate its title.

H.B. No. 1185 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.



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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1185, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1185, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 647 Energy & Environmental Protection/Housing on H.B. No. 1273**

The purpose of this measure is to allow the use of clotheslines on any privately owned single-family residential dwelling or townhouse.

Your Committees received testimony in support of this measure from the Mililani Town Association, the Conservation Council for Hawaii, the Blue Planet Foundation, the Princeville at Hanalei Community Association, the Sierra Club--Hawaii Chapter, the Community Associations Institute--Hawaii Chapter, the Windward Ahupua'a Alliance, and two individuals. Testimony in opposition to the measure was received from the Land Use Research Foundation of Hawaii. The Hawaii Association of Realtors and one individual submitted comments on the measure.

Your Committees find that electric clothes dryers can consume over ten per cent of a household's energy demand. Reducing the use of clothes dryers will substantially decrease the amount of fossil fuel electricity that Hawaii households may use in order to save on household expenses. Your Committees further find that this measure requires a reasonable balance between aesthetic concerns and energy-saving and cost-saving behaviour.

Your Committees have amended this measure by:

- (1) Adding a new section containing legislative findings and purpose;
- (2) Setting out the clothesline provisions as a new section to the chapter on energy resources rather than as an amendment to a section in the same chapter on the placement of solar energy devices;
- (3) Deleting the conforming amendment to the tax laws on tax credits for renewable energy technologies; and
- (4) Making necessary conforming technical amendments.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1273, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, Herkes and Luke.

**SCRep. 648 Consumer Protection & Commerce on H.B. No. 365**

The purpose of this bill is to amend the contractor licensing "handyman exemption," which exempts contracts where the price of labor, materials, taxes, and other items is not more than \$1,000. This bill exempts only those contracts where the price of labor exclusive of materials, taxes, and all other items is less than \$1,600.

The Hawaii Association of REALTORS® testified in support of this bill. The Contractors License Board, Hawaii Developers' Council, Hawaii Lumber Products Association, Subcontractors Association of Hawaii, Building Industry Association of Hawaii, Sheet Metal Contractors Association, Maui Contractors Association, Commercial Roofing & Waterproofing Hi, Inc., Allied Pacific Builders, Honolulu Roofing Company Inc., and David's Custom Roofing and Painting testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Providing that the handyman exemption covers contracts where the cost of labor exclusive of materials, taxes and other items, is \$1,000; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 365, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 365, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 649 Health on H.R. No. 43**

The purpose of this resolution is to create a Blue Ribbon Panel to: 1) conduct a health care needs assessment of Hawaii Health Systems Corporation, and 2) make recommendations regarding Hawaii Health Systems Corporation's operational structure so to improve the state's public health care system.

Hawaii Health Systems Corporation testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 43 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 650 Health on H.C.R. No. 53**

The purpose of this concurrent resolution is to create a Blue Ribbon Panel to: 1) conduct a health care needs assessment of Hawaii Health Systems Corporation, and 2) make recommendations regarding Hawaii Health Systems Corporation's operational structure so to improve the state's public health care system.

Hawaii Health Systems Corporation testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 651 Health on H.C.R. No. 51**

The purpose of this concurrent resolution is to request an increase of educational programs that promote cervical screening and awareness by the Department of Health so to prevent—and ultimately eliminate—the prevalence and incidence of cervical and related cancers in the State of Hawaii.

The Department of Health supported the intent of this concurrent resolution. The American Cancer Society testified in strong support. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 652 Health on H.C.R. No. 43**

The purpose of this concurrent resolution is to request the Department of Health to study, report on, and create standards regarding polystyrene and polyethylene, which are used in grocery bags and food containers and may be hazardous.

The Department of Health submitted testimony in opposition. The Hawaii Food Industry Association supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Expanding resolution title and language to include a study of possible beneficial uses for disposed polystyrene.
- (2) Making technical, non-substantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as pass Second Reading in the form attached hereto as H.C.R. No. 43, H.D. 1.

Signed by all members of the Committee.

**SCRep. 653 Water, Land, & Ocean Resources on H.R. No. 52**

The purpose of this resolution is to urge the water supply departments of each county and private water system operators to consider the use of polyvinyl chloride (PVC) and high-density polyethylene (HDPE) as material for pipes and fittings in planning the construction or repair of any public or private potable water system in a manner consistent with sound engineering design and cost-efficiency.

A concerned individual testified in support of this resolution.

Your Committee finds that PVC and HDPE are beneficial because of their resistance to corrosion and relatively low cost for use in potable water systems.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 654 Water, Land, & Ocean Resources on H.C.R. No. 66**

The purpose of this concurrent resolution is to urge the water supply departments of each county and private water system operators to consider the use of polyvinyl chloride (PVC) and high-density polyethylene (HDPE) as material for pipes and fittings in planning the construction or repair of any public or private potable water system in a manner consistent with sound engineering design and cost-efficiency.

A concerned individual testified in support of this concurrent resolution.

Your Committee finds that PVC and HDPE are beneficial because of their resistance to corrosion and relatively low cost for use in potable water systems.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 655 Public Safety on H.C.R. No. 27**

The purpose of this concurrent resolution is to ensure fair and equitable treatment for all, regardless of race or culture, by requesting that the Office of Hawaiian Affairs (OHA) initiate a study on disparate treatment of native Hawaiians in Hawaii's criminal justice system.

OHA, the Hawaii State Democratic Women's Caucus, and Community Alliance on Prisons supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27 and recommends that it be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Souki.

**SCRep. 656 Health on H.B. No. 710**

The purpose of this bill is to ensure a sufficient number of long-term care beds are available for our elderly and disabled population by providing an exemption for qualified long-term care facilities from the certificate of need process.

The Representative of the Fifth District and Department of Health supported this bill. The Hawaii Centers for Independent Living and Healthcare Association of Hawaii opposed this measure. The Hawaii Long Term Care Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 710, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 657 Consumer Protection & Commerce on H.B. No. 1032**

The purpose of this bill is to deter the fraudulent use of notary public seals, by statutorily requiring these seals to include the notary public's commission number. This bill also makes other clarifying amendments to the statute on notary public seals.

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

A notary public's commission number is a unique identifier that can be used to quickly determine whether the notary public was properly commissioned in Hawaii. While notary public seals are already required to include the notary public's commission number under section 5-11-5, Hawaii Administrative Rules, this bill makes a corresponding amendment to the pertinent statute to reduce confusion as to what information is required on these seals.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1032 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Luke, McKelvey and Morita.

**SCRep. 658 Consumer Protection & Commerce on H.B. No. 1075**

The purpose of this bill is update Article 10H of Chapter 431, Hawaii Revised Statutes, relating to long-term care insurance, to reflect amendments made by Act 233, Session Laws of Hawaii 2007, which among other things adopted the December 2006 Long-Term Care Insurance Model Regulation.

The Department of Commerce and Consumer Affairs and American Council of Life Insurers testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1075 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 659 Consumer Protection & Commerce on H.B. No. 875**

The purpose of this bill is to enhance options for resolving condominium disputes by extending the Condominium Dispute Resolution Pilot Program (Pilot Program) for another two years.

The Hawaii Independent Condominium and Cooperative Owners and Hawaii Council of Associations of Apartment Owners testified in support of this bill. Several concerned individuals opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

The Pilot Program, set forth in sections 514A-121.5 and 514B-161, Hawaii Revised Statutes, and set to expire on June 30, 2009, was established to facilitate quick and economical resolutions of disputes between condominium owners and their association boards. There is disagreement as to whether the Pilot Program has demonstrated it should be continued. There are also ongoing efforts to find alternatives to the Pilot Program, such as "evaluative mediation." Supporters of this bill want the Pilot Program to continue until a viable alternative has been fully developed. Your Committee is aware of these issues and is moving this bill along for further consideration.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 875 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 660 Water, Land, & Ocean Resources on H.B. No. 1554**

The purpose of this bill is to allow the Chairperson of the Hawaiian Homes Commission (HHC) and the Director of the Department of Planning and Permitting of the City and County of Honolulu (DPP) to designate representatives to serve as ex officio voting members of the Hawaii Community Development Authority (HCDA) for the Kalaeloa Community Development District (Kalaeloa).

The HHC, Department of Hawaiian Home Lands, HCDA, DPP, and a member of the HCDA for Kalaeloa testified in support of this bill.

Your Committee finds that allowing the Chairperson of HHC and Director of DPP to designate a representative to attend and vote at HCDA meetings will make it easier to obtain quorum and allow important deliberations and decisions to be made without delay or depriving the representation of HHC and DPP.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1554 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ching.

**SCRep. 661 Tourism, Culture, & International Affairs on H.B. No. 135**

The purpose of this bill is to designate the pulehewa, also known as the Kamehameha butterfly, as the official insect of the State.

Several 5<sup>th</sup> grade students of Pearl Ridge Elementary School testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 135 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 662 Public Safety on H.B. No. 274**

The purpose of this bill is to honor those lost during the attacks on the World Trade Center in New York City, the Pentagon, and United Airlines Flight 93 on September 11, 2001, by designating September 11<sup>th</sup> as "Patriot Day" in Hawaii.

Several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 274 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Souki.

**SCRep. 663 Consumer Protection & Commerce on H.B. No. 1070**

The purpose of this bill is to improve the regulation of financial institutions by:

- (1) Allowing financial institutions to temporarily close or relocate branches or agencies for an emergency or other good cause; and
- (2) Limiting how much a financial institution may invest in the obligations of any one issuer that is a United States government-sponsored agency originally established or chartered by the United States government to serve public purposes specified by Congress, but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States.

The Department of Commerce and Consumer Affairs testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure.

Your Committee finds that the limitations established by this bill for investments by financial institutions in certain debt obligations that are not explicitly guaranteed by the United States were prompted by the recent turmoil in global financial markets having a significant and negative impact on many large institutional investors. This bill seeks to ensure that financial institutions engaging in such activities make prudent investments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Luke, McKelvey and Morita.

**SCRep. 664 Tourism, Culture, & International Affairs on H.B. No. 813**

The purpose of this bill is to recognize Hawaii's multicultural society by designating September as "Language Access Month" to promote awareness of language access for government services and emphasize the importance of and need for language access in Hawaii's diverse society.

The Office of Language Access, Hawaii Civil Rights Commission, Congress of Visayan Organizations, Filipino American Citizens League, Filipino Coalition for Solidarity, Filipinos for Affirmative Action, Oahu Filipino Community Council, Nursing Advocates and Mentors, Inc., Pacific Gateway Center, and United Filipino Council of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Leaving blank the specific month designated as "Language Access Month";
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 813, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 665 Water, Land, & Ocean Resources on H.B. No. 520**

The purpose of this bill is to repeal the law requiring property owners of "historic buildings" that are over fifty years old or listed or eligible for listing on the Hawaii or national register of historic places, to submit archival quality photographs prior to demolishing, constructing, or making other alterations to the building.

The Hawaii Developers' Council, General Contractors Association of Hawaii, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, and Hawaii Association of REALTORS testified in support of this bill. Historic Hawaii Foundation, the Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company opposed this measure. The Department of Land and Natural Resources, Department of Planning and Permitting of the City and County of Honolulu, and Land Use Research Foundation of Hawaii provided comments.

Your Committee recognizes that there is much support for the concept of preserving records of truly historic properties and seeks to find parameters that are neither overly broad nor too narrow. However, as this bill is the only one that is currently advancing through the Legislature and given the time constraints, your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 520, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ching.

**SCRep. 666 Water, Land, & Ocean Resources on H.B. No. 921**

The purpose of this bill is to allow 999-year homestead leases to be assigned to land trusts that are created to manage and hold the leasehold estate for the benefit of the lessee and the lessee's family members.

The Native Hawaiian Legal Corporation and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and several concerned individuals opposed this measure.

Your Committee has amended this bill by clarifying that when a homestead lease is assigned to a land trust, the trustee of the land trust may assume the obligations of the lessee under the homestead lease.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 921, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, C. Lee, Luke and Morita.

**SCRep. 667 Housing/Water, Land, & Ocean Resources on H.B. No. 361**

The purpose of this bill is to expedite the construction of affordable housing units by imposing a timeframe on the issuance of ministerial permits of 45 days from the county council's approval of a project.

The Affordable Housing Regulatory Barriers Task Force, Office of Hawaiian Affairs, Kamehameha Schools, Land Use Research Foundation of Hawaii, Chamber of Commerce of Hawaii, Building Industry Association-Hawaii, and Hawaii Developers' Council testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and Sierra Club-Hawaii Chapter testified in opposition to this bill. The City Council of the City and County of Honolulu and Housing Hawaii provided comments.

Upon further consideration, your Committees have amended this bill by:

- (1) Changing the timeframe from 45 days from the time of county approval to 45 days from the time of application; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 361, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 361, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Luke.

**SCRep. 668 Housing/Water, Land, & Ocean Resources on H.B. No. 1186**

The purpose of this bill is to encourage the development of reserved housing units in the Kakaako Community Development District by eliminating the option for the Hawaii Community Development Authority (HCDA) to accept a "cash-in-lieu" payment from a developer instead of the required reserve housing units.

The HCDA, Office of Hawaiian Affairs, Sierra Club-Hawaii Chapter, and a concerned individual testified in support of this bill. Kamehameha Schools and the Hawaii Habitat for Humanity Association testified in opposition to this measure. Hawaii Housing and a concerned individual provided comments.

Upon further consideration, your Committees have amended this bill by:

- (1) Retaining the cash-in-lieu option solely for the purpose of accounting for any fractional unit resulting from the percentage requirement calculation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1186, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1186, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Luke.

**SCRep. 669            Judiciary on H.B. No. 382**

The purpose of this bill is to require notice prior to filing class action lawsuits against the State to the Governor, President of the Senate, and Speaker of the House of Representatives, as well as service of the filed complaint and all supporting and exculpatory materials on the President of the Senate and the Speaker of the House of Representatives within seven days of filing.

The State Attorney General testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Placing the substance of the bill in Chapter 661, Hawaii Revised Statutes, relating to actions by and against the State; and
- (2) Changing the effective date to January 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 382, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 670            Judiciary on H.B. No. 1148**

The purpose of this bill is to facilitate access to information by requiring electronic posting of meeting notices by state boards on the state calendar on the official state website.

The Office of the Lieutenant Governor, Small Business Regulatory Review Board, and Office of Information Practices testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting a definition for "state calendar";
- (2) Adding a savings clause; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1148, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Herkes, McKelvey and Morita.

**SCRep. 671            Judiciary on H.B. No. 147**

The purpose of this bill is to increase the threshold dollar amount for the offense of theft in the second degree.

The Office of the Public Defender, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. The Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Honolulu Police Department, Retail Merchants of Hawaii, Hawaii Hotel & Visitor Industry Security Association, Bead It! Inc., DFS Hawaii, Outrigger Enterprises Group, Hawaiian Moon, The Wedding Cafe, ABC Stores, Waikiki Beach Activities, Ltd., Securitas Security Services USA, Inc., Legislative Information Services of Hawaii, and several concerned individuals opposed this measure.

Your Committee finds that the last amendment to the threshold dollar amount for the offense of theft in the second degree occurred in 1986. In that year, the grade of offense for theft in the first degree was reduced to theft in the second degree, and the threshold amount for theft in the second degree was raised from \$200 to \$300. Taking inflation and changes in economic conditions and living standards into account, the time is ripe for discussion as to the appropriateness of the present threshold amount. The discussion should explore what other states have done with the dollar amount threshold for the

division between felony offenses and misdemeanor offenses. Other issues that should be explored are the changes in the inflation index, earning capacity, and other economic environmental factors.

Accordingly, your Committee has amended this bill by changing the updated threshold dollar amount from \$1,000 to an unspecified amount to encourage further discussion. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 147, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Herkes, McKelvey and Morita.  
(Representative Thielen voted no.)

**SCRep. 672            Judiciary on H.B. No. 294**

The purpose of this bill is to make statutory provisions governing the personal liability of a trustee to third parties consistent with the Uniform Probate Code and state laws governing personal representatives of probate estates.

The Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii supported this bill. The Hawaii Association for Justice opposed this bill.

Your Committee has amended this measure by clarifying that any judgment obtained against a trustee in the trustee's fiduciary capacity may be collected against the trust estate.

Your Committee notes that this measure does not change existing law that specifies that trust assets may be reached whether or not the trustee is personally liable.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 294, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, Luke, McKelvey, Morita and Thielen.

**SCRep. 673            Judiciary on H.B. No. 1212**

The purpose of this bill is to clarify what types of government records, if disclosed, would not be a clearly unwarranted invasion of privacy because the public interest in disclosure outweighs the privacy interest of the individual. Currently, information relating to an individual's fitness for a professional license is statutorily deemed to be of significant privacy interest to the individual, except, among other things, a record of complaints. This bill deletes the exception for the record of complaints that allows the record to be disclosed publicly.

The Hawaii Association of REALTORS, Hawaii Dental Association, and several concerned individuals supported this bill. The Office of Information Practices opposed this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1212, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 674            Judiciary on H.B. No. 1512**

The purpose of this bill is to allow a family court judge to issue a temporary restraining order (TRO) that grants exclusive care of a pet animal to a party in a domestic abuse proceeding. This bill also specifies that the TRO shall enjoin the respondent or person to be restrained from visiting, taking, concealing, threatening, physically abusing, or otherwise disposing of a pet animal that is in the exclusive care of the protected party.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Domestic Violence Action Center, Humane Society of the United States in Hawaii, Maui Humane Society, Hawaii State Coalition Against Domestic Violence, and several concerned individuals testified in support of this bill. The Hawaiian Humane Society supported this bill and suggested amendments. The Office of the Public Defender testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Inserting, in addition to pet animals, equine animals into the scope of this measure;
- (2) Clarifying that the TRO relating to a pet animal or equine animal is discretionary; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee notes that there may be other types of animals that may provide companionship or be of substantial monetary value that are not included in the definitions of "pet animal" or "equine animal" under section 710-1100, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1512, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Herkes, McKelvey and Morita.

**SCRep. 675            Judiciary on H.B. No. 128**

The purpose of this bill is to make nomination papers for an elective office available until the fifty-eighth calendar day before the filing deadline. This bill also specifies that in cases where no candidates have filed nomination papers for an elective office, the Chief Election Officer or county clerk shall make nomination papers available and accept nomination papers for the elective office no later than 4:30 p.m. on the third business day following the filing deadline.

The Chief Election Officer submitted comments on this bill.

Your Committee has amended this measure by:

- (1) Making nomination papers for an elective office available until 4:30 p.m. on the Friday before the final day for filing;
- (2) In cases where no candidates have filed nomination papers for an elective office, requiring the Chief Election Officer or county clerk to:
  - (A) Make nomination papers available no later than 4:30 p.m. on the second calendar day following the filing deadline; and
  - (B) Accept filing of the nomination papers until 4:30 p.m. on the fiftieth day prior to the election;
- (3) Inserting the substance of House Bill No. 613, Regular Session of 2009, which requires the Office of Elections to develop and implement a standardized withdrawal and declaration of candidacy form;
- (4) Changing its effective date to January 1, 2046, to promote further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee hopes that these changes will clarify existing law for the benefit of candidates and voters alike.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, Luke, McKelvey, Morita and Thielen.

**SCRep. 676            Judiciary on H.B. No. 130**

The purpose of this bill is to help protect the free-flow of information by declaring foreign defamation judgments unenforceable in Hawaii unless the foreign defamation law affords free speech protections equivalent to those granted in both the United States and Hawaii Constitutions.

The American Civil Liberties Union of Hawaii testified in support of this measure.

Your Committee has amended this bill by:

- (1) Providing a definition of "publish";
- (2) Clarifying that foreign judgments are unenforceable if the defamation law applied in the foreign court did not provide as much or greater free-speech protection than that afforded under United States and Hawaii law; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 130, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Herkes, McKelvey and Morita.

**SCRep. 677            Judiciary on H.B. No. 1751**

The purpose of this bill is to help protect communication service providers by:

- (1) Establishing the offenses of communication service fraud in the first and second degrees; and
- (2) Providing civil remedies for communication service providers.

Oceanic Time Warner Cable and Hawaiian Telcom testified in support of this measure.

Your Committee has amended this bill by:

- (1) Removing prior convictions under federal law as a basis for repeat offender status;
- (2) Changing the effective date to January 1, 2046, to encourage further discussion; and



- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1751, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Herkes, McKelvey and Morita.

**SCRep. 678 Consumer Protection & Commerce/Judiciary on H.B. No. 233**

The purpose of this bill is to exempt licensed real estate brokers and salespersons from the requirements of the Mortgage Rescue Fraud Prevention Act (Act), Chapter 480E, Hawaii Revised Statutes (HRS). This bill also prohibits these persons from acquiring an ownership interest in any distressed residential property currently listed with the broker or salesperson or within a year after the listing agreement is terminated.

The Department of Commerce and Consumer Affairs and Hawaii Association of REALTORS testified in support of this bill. The Legal Aid Society of Hawaii, Office of Hawaiian Affairs, and Mortgage Assistance & Mitigation Group opposed this measure.

The Act was intended to protect homeowners facing foreclosure by requiring mortgage rescue contracts to include certain disclosures, right-to-cancel provisions, and fee limitations. However, the Act's requirements have discouraged real estate brokers and salespersons from facilitating "short sales" – in which a lender agrees to discount the mortgage loan balance because of the mortgagor's financial hardship – that can prevent home foreclosures. This bill attempts to correct this undesirable result by creating an exemption from the Act for licensed real estate brokers and salespersons, who are already regulated under Chapter 467, HRS, when acting in their respective capacities.

Upon further consideration, your Committees have amended this bill by also exempting certified public accountants, who are already regulated under Chapter 466, HRS, from the Act when acting in that capacity. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 233, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 233, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 679 Consumer Protection & Commerce/Judiciary on H.B. No. 654**

The purpose of this bill is to improve the regulation of contractors by:

- (1) Requiring the issuance of a citation and cease and desist order when an investigator from the Department of Consumer Affairs' (DCCA) Regulated Industries Complaints Office (RICO) determines that a person is acting in the capacity of, or engaging in the business of, a contractor without a license in good standing;
- (2) Prohibiting a cited person from resuming work until the person holds the license required to perform the work; and
- (3) Amending the penalties for persons cited for unlicensed activity.

The Hawaii Building and Construction Trades Council, AFL-CIO, Subcontractors Association of Hawaii, and Iron Workers Stabilization Fund testified in support of this bill. DCCA, the General Contractors Association, and the Building Industry Association of Hawaii opposed this measure.

DCCA expressed concerns that this bill would require the issuance of citations for unlicensed contracting activity in situations where prosecution through a circuit court action may be the more appropriate enforcement tool. The advantages of a court action over a citation include the ability to obtain restitution for the consumer and to subpoena documents or obtain witness statements and evidence. Furthermore, because the hearing process for an issued citation moves quickly, RICO investigators in certain cases, such as where proof of unlicensed activity is based on third-party testimony rather than the investigator's personal observations, may want to forego a citation in favor of obtaining more time to build a case for a circuit court action.

There are also concerns that the amendments to the penalties for unlicensed contracting activity under this measure are inconsistent with other fines set forth in section 444-23(c), Hawaii Revised Statutes, and may be deemed excessive.

Accordingly, your Committees have amended this bill by:

- (1) Requiring investigators to issue a citation in cases where the investigator personally observes and determines a person is acting as a contractor without a license in good standing;
- (2) Authorizing investigators to issue a citation in cases where the investigator does not personally observe but determines that a person is acting as a contractor without a license in good standing;
- (3) Deleting the amendments to the statutory provision relating to court-ordered injunctive or other relief for violations of cease and desist orders;
- (4) Increasing the penalties for first and second offenses of acting as a general engineering contractor, general building contractor, or specialty contractor without a license in good standing, but restoring the original penalty for subsequent offenses; and
- (5) Changing the effective date to January 1, 2030, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 654, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 654, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 680 Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on H.B. No. 1141**

The purpose of this bill is to authorize government personnel conducting operations approved by the Department of Land and Natural Resources (DLNR) and film permit holders involved in film production conducting operations approved by DLNR to operate thrill crafts in non-designated areas.

The Department of Business, Economic Development, and Tourism, DLNR, Honolulu Film Office, Hawaii Film and Entertainment Board, Prickett Films, LLC, and many concerned individuals testified in support of this bill. Several concerned individuals opposed this measure.

Your Committees note that the impact of this measure should be assessed in the future and that thrill craft used by the film industry should be assessed the same fees as boats and other vessels.

Accordingly, your Committees have amended this bill by:

- (1) Repealing the provisions of this measure in two years; and
- (2) Clarifying that thrill craft used in film production under this measure be assessed the same fees that apply to vessels.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1141, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1141, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 681 Water, Land, & Ocean Resources on H.B. No. 570**

The purpose of this bill is to enhance the management of coastal zone areas in the state.

Generally, this bill requires certain agencies to account for changes in the sea level and to minimize the risk from coastal hazards such as erosion, storm inundation, hurricanes, and tsunamis.

This measure also:

- (1) Preserves the public's access to the shoreline; and
- (2) Maintains shoreline setback lines at not less than 20 feet and not more than 40 feet inland from the shoreline; however, this measure allows the counties to establish shoreline setback lines at distances greater than those set forth by Chapter 205A, Hawaii Revised Statutes (HRS)(Hawaii's Coastal Zone Management Law), based on average annual shoreline erosion rates, where appropriate.

The Office of Corporation Counsel of the County of Hawaii, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR), Office of Hawaiian Affairs, Sierra Club-Hawaii Chapter, and a concerned individual supported this measure with amendments. The Office of Planning, Department of Planning and Permitting of the City and County of Honolulu, and the Land Use Research Foundation of Hawaii opposed this measure.

Your Committee finds that the importance of coastal zone management has risen to the environmental forefront in response to recent research with respect to global warming, rising sea levels, and a changing global climate. This measure addresses the environmental concerns of a dynamic coastline to provide necessary coastline regulation while maintaining adequate public access to these areas.

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

- (1) Including in the objectives and policies of the Coastal Zone Management Program with respect to coastal ecosystems, beaches and dunes, and with respect to beach protection, minimizing negative impacts to coastal environments and protecting against coastal hazards;
- (2) Clarifying that all development in the special management area is subject to reasonable terms and conditions "relative to the objectives, policies, and guidelines" of coastal zone management laws;
- (3) Providing that the counties may not approve developments in the special management areas that impede "reasonable and adequate" public access to or along the shoreline;
- (4) Requiring the counties to minimize development that "directly" reduces the size of the beach or recreation area;
- (5) Reverting from the new forty-foot minimum shoreline setback back to the current statutory twenty-foot minimum;
- (6) Deleting the provision waiving a public hearing prior to a shoreline setback variance for:
  - (a) The protection of a legal structure costing more than \$20,000, for structures at risk of immediate damage from shoreline erosion, instead of raising the threshold structure value to \$50,000; and
  - (b) Other structures or activities for which no person or agency has requested a public hearing within 25 calendar days of public notice of the variance application;
- (7) Requiring for structural variances that are necessary for or ancillary to landscaping, that the proposed structure or activity not adversely affect adequate public access;
- (8) Reinserting the requirement that a private facility or improvement not adversely affect beach processes or artificially fix the shoreline for allowing a structural variance where denial will result in hardship to the applicant;

- (9) Requiring for applications of structural variances that may harden the shoreline, consideration of whether the activity will alter beach-quality sediment availability;
- (10) Requiring for applications of variances for the moving of sand from one location seaward of the shoreline to another location seaward of the shoreline, that the movement be within the same littoral system, and allowing movement not only to stabilize an eroding shoreline, but also for stream mouth maintenance;
- (11) Authorizing the planning departments of the counties, instead of DLNR, to determine the shoreline setbacks; and
- (12) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 570, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 682 Water, Land, & Ocean Resources on H.B. No. 1144**

The purpose of this bill is to encourage greater participation in endangered species restoration by private landowners by statutorily authorizing the development and use of programmatic safe harbor agreements (SHAs) and programmatic habitat conservation plans (HCPs) and the tools, such as certificates of inclusion, needed to implement them.

The Department of Land and Natural Resources and Department of Business, Economic Development, and Tourism testified in support of this bill. The Sierra Club-Hawaii Chapter and Earthjustice opposed this measure. A concerned individual provided comments.

Your Committee finds that the Endangered Species Recovery Committee (ESRC) currently plays an important role in ensuring the success of proposed HCPs and SHAs. Accordingly, your Committee has amended this bill by making the issuance of certificates of inclusion provided for in programmatic SHAs and HCPs to extend the coverage of the incidental take license to landowners enrolling in the programmatic plan at a later date, contingent on the review and approval of the ESRC.

Your Committee has further amended this bill by:

- (1) Changing the effective date to June 20, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1144, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Har, Herkes, Luke, Morita and Sagum.

**SCRep. 683 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 589**

The purpose of this bill is to exempt the siting, development, construction, and operation of renewable energy facilities from state and county requirements applicable to the subdivision and consolidation of land, changes in legal boundaries, or the creation or consolidation of lots, easements, or other interest in land.

The Department of Business, Economic Development, and Tourism testified in support of this bill. Castle & Cooke Hawaii supported this measure with amendments. Title Guaranty of Hawaii, Inc., submitted testimony in support of the intent of this bill. The Department of Planning and Permitting for the City and County of Honolulu opposed this measure.

Your Committees have amended this bill by:

- (1) Deleting the amendment to the definition of "permit";
- (2) Clarifying and narrowing the scope of the exemption from subdivision requirements to apply to lots created by leases and easement grants for the development and financing of renewable energy projects and access to such projects;
- (3) Specifically allowing owners of such lots and easements to:
  - (a) Lease all or a portion of their land for a renewable energy project site or access to the site;
  - (b) Grant easements or other possessory interests to use all or a portion of the land for a renewable energy project or access to the site;
  - (c) Record instruments setting forth the rights granted; and
  - (d) Mortgage and assign the leases and easements for security purposes;
- (4) Using the term, "renewable energy project" instead of "renewable energy facility" for broader application of the exemption to include smaller projects that do not fall under the definition of renewable energy facility in Chapter 201N, Hawaii Revised Statutes;
- (5) Requiring the Land Court, Bureau of Conveyances, and other governmental agencies to accept for filing and recording all instruments and maps created pursuant to this bill;
- (6) Changing the effective date to January 1, 2020, to encourage further discussion; and

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 589, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 589, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 684 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 590**

The purpose of this bill is to expedite the development of renewable energy facilities by:

- (1) Reducing the time for processing and approving or denying permits under permit plans from twelve to six months after acceptance of a completed permit plan application; and
- (2) Automatically approving permit applications within twelve months rather than eighteen months if either the permitting agency fails to provide a report identifying diligent measures that it has taken to complete processing and take action on a permit plan application, or if no action is taken.

Dowling Company, Inc., the SunPower Systems Corporation, Castle & Cooke Hawaii, and the Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The Department of Health, Department of Business, Economic Development, and Tourism, Life of the Land, Sierra Club, Hawaii Chapter, Hawaii Sierra Club – Maui Group, and several concerned individuals opposed this measure.

Your Committees have amended this bill by:

- (1) Reinstating the original time periods for permit review and automatic approval;
- (2) Setting a thirty-day time limit for the filing of the diligence report with the energy resources coordinator by the permitting agency;
- (3) Giving the energy resources coordinator discretion to deem a permit approved if no further processing or action is taken by the permitting agency within seventeen months of the completed permit application;
- (4) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 590, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 590, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 685 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1047**

The purpose of this bill is to refine the important agricultural lands (IALs) law by providing that:

- (1) In a petition for a declaratory order designating IALs that also seeks to reclassify agricultural land to rural, urban, or conservation:
  - (a) The agricultural land must be on the same island as the IAL, as opposed to the current requirement that the agricultural land be within the same county; and
  - (b) The Land Use Commission (LUC) is required to evaluate the petition for compliance with the LUC's decision-making standards and criteria applicable to all petitions, in addition to the current law that requires the evaluation be based on the standards for amending district boundaries;

and

- (2) Providing that all conditions imposed by the LUC in the declaratory order designating land as IAL shall run with the land.

The Department of Agriculture, Office of Planning, the Executive Officer of the LUC, Land Use Research Foundation of Hawaii, and Hawaii's Thousand Friends testified in support of this bill.

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1047, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1047, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Chang, Chong, Luke, McKelvey, Wakai and Ching.

**SCRep. 686 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1008**

The purpose of this bill is to protect and promote Hawaii's prime agricultural lands by imposing conditions on the approval for petitions for subdivisions of and building permits to construct farm dwellings on agricultural land.

The Office of Planning, Department of Agriculture, Kona County Farm Bureau, and Hawaii Farm Bureau Federation testified in support of this bill. The Sierra Club-Hawaii Chapter supported this measure with amendments. The Department of Planning and Permitting of the City and County of

Honolulu, the Kau Farm Bureau, Hawaii's Thousand Friends, and the Land Use Research Foundation of Hawaii opposed this bill. The Hawaii Agriculture Research Center provided comments.

Your Committees recognize that the counties are considering zoning measures to discourage the development of "gentlemen estates" in agricultural areas, including imposing limitations on the size of dwellings, and establishing a minimum lag time between lot creation and the issuance of a building permit. However, your Committees find that this bill should also be advanced as one more method to prevent gentlemen estates.

Your Committees also find that the requirements in this bill may create confusion as to the treatment of uses that may be non-conforming uses under the provisions of this bill.

Accordingly, your Committees have amended this bill by clarifying that uses and activities that were lawful as of the effective date of this Act shall be grandfathered and treated as legal nonconforming uses. Technical, nonsubstantive amendments were also made for clarity and style.

Your Committees note that a concern was raised that for some slow-growing crops, the requirement to establish evidence of "agribusiness activity" to obtain a building permit may create an inconvenience for the operator to commute to and from agricultural operations located at a distance from the operator's current residence. Legitimate farm operators may be prevented from obtaining a building permit because the nature of the crop may prevent the operator from realizing sales immediately. Your Committees find that this is an understandable concern.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1008, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Evans, C. Lee, Luke, McKelvey, Morita, Tokioka and Wakai.

**SCRep. 687            Judiciary on H.B. No. 730**

The purpose of this bill is to help prevent cruelty to animals by replacing the current statute regarding dog fighting with more comprehensive language and mandating a minimum thirty-day imprisonment term for a second or subsequent offense.

The Humane Society of the United States in Hawaii, Hawaiian Humane Society, and many concerned individuals supported this bill. The Public Defender's Office opposed this measure.

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

- (1) Amending, rather than replacing, the current statute to:
  - (A) Criminalize the transporting, possessing, breeding, selling, transferring, or equipping of any dog for prohibited fighting purposes as a class C felony;
  - (B) Make it a class C felony to allow a dogfight to occur, or to keep, board, house, train, or transport a dog intended for fighting on any property;
  - (C) Specify that paying admission to, or wagering on a dogfight, or possessing any device intended to enhance a dog's fighting ability is a misdemeanor; and
  - (D) Allow the legality of dog weight-pulling contests;

and
- (2) Changing the effective date to January 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 730, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 688            Judiciary on H.B. No. 1035**

The purpose of this bill is to grant a right to interlocutory appeal from court orders regarding injunctions and denials of sovereign, absolute, or qualified immunity.

The Attorney General supported this bill. The Judiciary and Hawaii Association for Justice opposed this measure.

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

- (1) Deleting the purpose section;
- (2) Restricting the scope of the bill to interlocutory appeals of right deriving from denials of motions seeking dismissal or judgment based solely upon sovereign immunity;
- (3) Deleting language that applied the measure to pending actions;
- (4) Inserting a savings clause; and
- (4) Changing the effective date to January 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1035, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 689            Judiciary on H.B. No. 1229**

The purpose of the bill is to increase the protection for individuals facing harassment by allowing:

- (1) Service of the notice of a hearing on a petition for an injunction against harassment to be made by publication under certain conditions; and
- (2) The courts to authorize notice by publication of any order issued at a hearing if the requirements for service of the notice of hearing by publication are met and the respondent fails to appear for the hearing.

Two concerned individuals testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Specifying that the petitioner must search for the respondent for at least 15 days after filing the petition rather than allowing the petitioner to conduct the search either before or after the filing of the petition;
- (2) Requiring that the inability to locate the address or residence of a respondent is proven by clear and convincing evidence presented to the court;
- (3) Requiring the court to make written findings of fact and conclusions of law to support the issuance of an order for notice of a hearing by publication;
- (4) Allowing an order issued by the court to be set aside for good cause if the respondent moves to set aside the order within 30 days of the receipt of actual notice;
- (5) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1229, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 690            Judiciary/Consumer Protection & Commerce on H.B. No. 1415**

The purpose of this bill is to require the board of directors (Board) of an association of apartment owners (condominium association) and the Board of a planned community association to designate a representative on premises to provide entry to any duly appointed server of process.

Hawaii Council of Associations of Apartment Owners, Alston Hunt Floyd & Ing, and a concerned individual supported this bill. The Community Associations Institute Hawaii Chapter Legislative Action Committee submitted comments.

Based on discussion with proponents of the measure, and taking into consideration circumstances that may exist in different types of condominium buildings and planned community associations, your Committees have amended this measure by:

- (1) Adding cooperative housing corporations (co-ops), including the Boards of co-ops, within the scope of this measure;
- (2) Requiring that the Board of a condominium association, planned community association, or co-op establish a policy to provide reasonable access for a process server;
- (3) Clarifying that the policy allow a process server access to a common area adjacent to a principal entry to the relevant residence within the building or community;
- (4) Requiring, in the policy, appropriate documentation and identification be shown by the process server prior to gaining access, and also allowing for denial of access if the process server is not able to produce clear and credible documentation;
- (5) Requiring the policy to designate the person allowing access by appropriate title or position, and also to designate an alternate individual to allow access;
- (6) Requiring periodic updating of the designees allowing access when a condominium association, planned community association, or a co-op make their regular filings with the Department of Commerce and Consumer Affairs (DCCA);
- (7) Requiring DCCA to adopt new forms or adapt current forms to accommodate the new required information for regular filings;
- (8) Deleting the provision allowing DCCA to adopt rules to effectuate the provisions of this bill;
- (9) Changing its effective date to January 1, 2046, to promote further discussion; and
- (10) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1415, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1415, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, McKelvey, Morita and Souki.

**SCRep. 691 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 640**

The purpose of this bill is to eliminate undue delays for actions that involve the installation, improvement, renovation, construction, and development of any infrastructure (including roadway improvements, waterlines, wastewater lines and facilities, drainage facilities, and electrical, communication, and cable utilities) within a public right-of-way or highways by clarifying that such projects shall not be deemed to be the use of state or county lands, which triggers the requirement for an environmental assessment (EA) under Chapter 343, Hawaii Revised Statutes (HRS), the State's environmental review law.

The Office of Environmental Quality Control (OEQC), Hawaii Housing Finance and Development Corporation, Department of Planning and Permitting of the City and County of Honolulu, Department of Environmental Services of the City and County of Honolulu, The Chamber of Commerce of Hawaii, Hawaii Building and Construction Trades Council, AFL-CIO, Building Industry Association of Hawaii, Maui Contractors Association, Hawaii Developers' Council, Land Use Research Foundation of Hawaii Engineering Solutions, Inc., PAHIO Development, Inc., Hawaii Island Hardwoods LLC, and a concerned individual testified in support of this bill. The Department of Transportation and The Gas Company supported the intent of this measure. The Sierra Club-Hawaii Chapter, Hawaii Audubon Society, Hawaii's Thousand Friends, Native Hawaiian Legal Corporation, and numerous concerned individuals opposed this bill. Life of the Land provided comments.

The Department of Transportation (DOT) is a critical component in ensuring the efficient and timely processing of permits for proposed actions within right-of-ways in an environmentally responsible manner. During the 2008 legislative session, the Legislature believed that the problems experienced by applicants in processing permits for the use of public right-of-ways arose from multi-agency jurisdiction over primary actions that required secondary permits and lack of clarification regarding the process to exempt certain proposed actions from the EA requirement. Act 110, Session Laws of Hawaii 2008:

- (1) Provided that whenever an applicant requests approval for a proposed action and there is a question as to which of two or more state or county agencies with jurisdiction has the responsibility of preparing the EA, the OEQC, after consultation with and assistance from the affected agencies, is to determine which agency shall prepare the EA; and
- (2) Clarified OEQC's mandate to establish procedures whereby specific types of actions, because they will probably have minimal or no significant effect on the environment, are declared exempt from the preparation of an EA.

Notwithstanding Act 110, during the hearing on this bill, your Committees learned that DOT has been requiring EAs for secondary actions that were clearly exempt from the EA requirement. It appeared that the actions were exempt under DOT's own rules. As a result, OEQC is overwhelmed by the number of DOT requests for action reviews, which has created unnecessary delays for actions that would be exempt from the EA requirement.

Accordingly, your Committees have amended this bill by exempting from the purview of Chapter 343, HRS, primary actions requiring a ministerial permit or approval, rather than a discretionary one, that involve a secondary action for the development of infrastructure within an existing right-of-ways that have no significant effect on the environment.

This bill has also been amended by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion;
- (2) Inserting a repeal date of July 1, 2011; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 640, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 640, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Har, Herkes, C. Lee, Luke, Morita and Sagum.  
(Representative Thielen voted no.)

**SCRep. 692 Agriculture on H.B. No. 1226**

The purpose of this bill is to prohibit state administrative regulatory actions and county regulatory actions from banning or otherwise regulating activities related to genetically modified plant organisms, with certain exceptions.

The Department of Agriculture and several organizations and individuals supported this bill. Numerous organizations and concerned individuals opposed this bill. An organization and an individual submitted comments.

Your Committee notes that this bill includes exceptions to the preemption provisions. The provisions of this bill are not superior to any county ordinance that became effective before January 1, 2009, and that prohibits any person from taking certain actions relating to particular species of genetically engineered plant organisms. Your Committee intends that the exemption apply only to Hawaii County Ordinance No. 08-154 which prohibits any person from testing, propagating, cultivating, raising, planting, growing, introducing, or releasing genetically engineered or recombinant DNA taro or coffee in the County of Hawaii. Your Committee does not intend that the exemption apply to any future amendment to Ordinance No. 08-154 that may attempt to expand its applicability to other plant organisms. Your Committee deems that this amending ordinance would not meet the condition of being effective before January 1, 2009. Your Committee recognizes that concerns have been raised regarding the date of January 1, 2009, as it relates to the exception for county ordinances that take effect before this date. As this measure does have implications for home rule and is still a work in progress, your Committee welcomes continued discussion on this matter.

Your Committee finds that biotechnology will become increasingly important in the future to feed the population of the United States and the world, and meet their energy demands. Scientific research and improvement of food and energy crops will be necessary to increase productivity, yield, quality, and drought, pest, or disease resistance.

Your Committee also recognizes the importance of biotechnology in the economy of the state. In the agricultural industry of Hawaii, the seed corn component now ranks second. Your Committee believes that productive sectors of the state's economy should be promoted in these difficult times within parameters that do not endanger the public health.

Accordingly, your Committee acts favorably on this bill. Your Committee finds that it will provide a level of legal protection in Hawaii for the genetic modification of plant organisms and use of genetically modified plant organisms. Your Committee believes that the legal protection is necessary to promote investor and business confidence in the biotechnology industry. Your Committee further finds that, if done in compliance with federal requirements, the genetic modification of plant organisms will be conducted safely.

After consideration of House Bill No. 1663, Regular Session of 2009, however, your Committee recognizes that the genetic modification of Hawaiian taro or use of genetically modified Hawaiian taro is not appropriate within the state. Consequently, by separate action, your Committee has approved House Bill No. 1663, in an amended form, H.D. 1, which, among other things, prohibits certain activity with respect to Hawaiian taro.

To be consistent with that action, your Committee believes that this bill should be revised to specify that it shall not be superior to any state statute that prohibits the development, testing, propagation, release, importation, planting, or growing within the State of Hawaii of any genetically modified Hawaiian taro.

Your Committee recognizes that this revision is not necessary since this bill prohibits certain "state administrative regulatory actions" and "county regulatory actions" which, as defined in this bill, do not include a "state statute". Your Committee, however, has chosen to include the express provision in this bill to allay concerns with respect to Hawaiian taro.

Finally, your Committee has not defined "Hawaiian taro" in this bill. Your Committee intends that "Hawaiian taro" mean the same as defined in House Bill No. 1663, H.D. 1. It is your Committee's intent to have that measure and this measure passed and enacted together as a complementary package.

In light of these discussions, your Committee has amended this measure by:

- (1) Deleting the provision that establishes that the provisions of this bill are not superior to any state administrative regulatory action or county regulatory action that bans, restricts, or otherwise regulates the genetic modification of taro or the testing, planting, or growing of genetically modified taro;
- (2) Establishing that the provisions of this bill are not superior to any state statute that prohibits the development, testing, propagation, release, importation, planting, or growing of any genetically modified Hawaiian taro within the state; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1226, H.D. 1, and be placed on the calendar for Third Reading.

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

#### **SCRep. 693 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1048**

The purpose of this bill is to encourage the use of the rural land district as a land use tool to preserve the state's agricultural land and non-agricultural rural uses, such as recreational uses, agricultural support activities, and buffering of agricultural and conservation lands from urban areas, by giving the counties greater authority to define the policies, standards, and procedures for the use and development of rural lands, provided that they, among other things, protect and enhance the character, economies, and physical form of Hawaii's rural areas and communities, and minimize residential sprawl into rural areas.

The Office of Planning and Department of Agriculture testified in support of this bill. A member of the Maui County Council, Hawaii Association of REALTORS, and Hawaii's Thousand Friends opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu provided comments.

Your Committees find that pursuant to the general rule that state law supersedes county law, a county ordinance is invalid if, in its application, it conflicts with a state law that involves matters of statewide concern. Since all county ordinances are already subject to the confines of state law, your Committees find it is unnecessary to specifically require county ordinances to conform to state law. Accordingly, your Committees have amended this bill by replacing the requirement that county laws governing land use and development conform to the policies, uses, standards, and restrictions for the use, subdivision, or development on land in the urban, rural, and agricultural land use districts, and important agricultural lands in Chapter 205, Hawaii Revised Statutes (HRS), with the requirement that each county establish by ordinance the policies, standards, and procedures for the use and development of land in rural districts.

Pursuant to Act 205, Session Laws of Hawaii 2005, an advisory group was convened in 2006 to redefine rural districts and create rural standards for boundary reviews. Your Committees find that the recommendations of the advisory group should be incorporated into this bill. Accordingly, your Committees have also amended this bill by:

- (1) Providing more specific guidance in Chapter 205, HRS, on the appropriate characteristics of rural and conservation districts;
- (2) Removing minimum lot sizes for the rural district from the criteria for rural districts;
- (3) Providing counties with the same degree of discretion to manage rural districts as they are currently provided with regard to lands in the urban district;
- (4) Authorizing counties to petition the Land Use Commission (LUC) for regional district boundary amendments of existing rural villages based on the criteria in Chapter 205, HRS, the general plan, development, and community plans; and
- (5) Providing for public input prior to LUC adoption of the boundary amendment.

Upon further consideration, your Committees have also:



- (1) Deleted the provision that the use for which a special permit is requested must not be prohibited in sections 205-2 and 205-4.5, HRS, to prevent confusion;
- (2) Deleted the criteria for classification of agricultural lands currently listed in section 205-2(d), HRS, in favor of the permissible uses described in section 205-4.5, HRS; and
- (3) Made technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1048, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1048, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Evans, C. Lee, Luke, McKelvey, Morita, Tokioka and Wakai.

**SCRep. 694 Water, Land, & Ocean Resources/Housing on H.B. No. 948**

The purpose of this measure is to increase the Kakaako Community Development District reserved housing requirements for any planned development with a height of more than forty-five feet or a floor area that equals or exceeds one and one-half times the lot area.

Specifically, this measure:

- (1) Requires that at least 25 percent of the countable floor area of a planned development with a height of 45 feet or more or exceeds one and one-half times the lot area for the development be developed for reserved housing;
- (2) Includes within the countable floor area of a planned development, the total floor area of every building on the lot of a planned development, including commercial, industrial, and resort uses, but not including community service or special facility uses;
- (3) Includes definitions for base zoning, community service uses, countable floor area, floor area, master planned areas, planned development, and reserved housing unit;
- (4) Provides that this reserved housing requirement shall increase automatically to 35 percent after December 31, 2017, unless the Legislature finds that there is adequate reserved housing in Kakaako;
- (5) Requires that for a planned development with multi-family dwelling units on a lot of between twenty thousand and 130,679 square feet that is not part of a master planned area, at least 20 percent of the dwelling units shall be reserved housing units;
- (6) Provides that the reserved housing units developed need not be on the same lot as the planned development requiring the reserved housing units; however, the development must comply with section 206E-4(18), Hawaii Revised Statutes (HRS), relating to the location of reserved housing locations;
- (7) Prohibits the payment of cash in lieu of the provision of reserved housing units;
- (8) Requires that the reserved housing units be built prior to or concurrently with the planned development;
- (9) Allows the transfer and sale of excess reserved housing credits to another project in Kakaako; and
- (10) Provides safeguard provisions against a rush for applications for planned developments to avoid the new requirements contained in this measure.

Your Committees received written testimony in support of this measure from the Office of Hawaiian Affairs, and a concerned individual. General Growth Properties, Inc. and Kamehameha Schools submitted testimony in opposition to this measure, while Waterhouse Inc., another Kakaako landowner, submitted testimony expressing its strong reservations to this measure. The Hawaii Community Development Authority (HCDA), Waterhouse, Inc., and Hawaii Habitat for Humanity Association offered comments.

Your Committees note that Honolulu is the primary urban core for the island of Oahu and at the center of that core is the Kakaako district. Due to its central location, the proposed rail transit project, of necessity, will traverse the district connecting it with leeward Oahu and downtown on one side and, eventually, Waikiki and the university area on the other side. This central position of Kakaako makes it imperative that Kakaako continue to play a major role in providing adequate housing opportunities for Hawaii's residents, especially for the workforce of Honolulu.

Your Committees are in agreement that affordable housing units in Honolulu are severely lacking. The redevelopment and revitalization of Kakaako through the efforts of HCDA provides a prime opportunity to remedy, in part, that shortage of affordable housing, particularly in the central core of Honolulu, where jobs, amenities, consumer services, and recreational opportunities are concentrated. The need and desire for more affordable housing for the residents of Hawaii cannot be any more evident than in the Kakaako district.

Your Committees have amended this measure by:

- (1) Requiring that the development of any lot in the Kakaako mauka area that is three acres or greater in area shall provide at least 25 percent of its countable floor area for reserved housing;
- (2) Requiring that the development of any lot in the Kakaako mauka area that is less than three acres in area shall provide at least 20 percent of any dwelling units developed for reserved housing;
- (3) Removing the automatic increase in the reserved housing requirement after December 31, 2017, by replacing that provision with a requirement that HCDA report to the Legislature prior to the convening of the Regular Session of 2017 on the status of reserved housing in Kakaako, including a recommendation on whether the reserved housing requirements contained in this measure should be reduced, remain unchanged, or increased;
- (4) Requiring that HCDA determine whether the reserved housing units provided shall be for sale or for rent and:

- (A) If for sale, that HCDA adopt rules to ensure that the reserved housing units remain "affordable" for the economic life of the units; and
- (B) If for rent, that the reserved housing units be transferred to be managed and rented by the Hawaii Public Housing Authority;
- (5) Amending section 206E-4(18), Hawaii Revised Statutes, to limit any in lieu dedication of land for reserved housing to fee simple property within the Kakaako mauka area;
- (6) Requiring any reserved housing units to have certificates of occupancy issued prior to or concurrently with the issuance of certificates of occupancy for other non-reserved housing units or other uses; and
- (7) Including measures to prevent a rush for applications for any development of a lot three acres or greater or any applications for building permits or subdivisions of any lot three acres or greater in area until after HCDA has adopted rules implementing the requirements of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 948, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Har, Herkes, C. Lee, Luke and Morita.

**SCRep. 695 Consumer Protection & Commerce on H.B. No. 876**

The purpose of this bill is to improve condominium operations by:

- (1) Amending to an unspecified amount, the cap on special assessments that condominium associations may impose on foreclosure sale purchasers of a delinquent unit with unpaid common expense assessments; and
- (2) Expanding limitations on association liability for actions taken with regard to certain unit owners requiring services for independent living, for the purpose of minimizing harm to the unit owner and others.

Several concerned individuals testified in support of this bill. The Disability and Communication Access Board, Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Independent Condominium and Cooperative Owners provided comments.

This bill consists of two parts that address discrete issues. Your Committee notes that the provisions of this bill relating to special assessments are similarly contained in H.B. No. 1639, which may become the eventual vehicle for that particular issue.

With regard to the provisions of this bill relating to association liability for elderly or disabled unit owners or residents, there is a concern that the current law, even as amended by this bill, does not adequately provide for how a functional assessment of the condition of such unit owners or residents, along with recommendations for services to assist these persons, would actually be requested by an association. This issue warrants further consideration as this bill moves forward.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 876, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 696 Consumer Protection & Commerce on H.B. No. 1270**

The purpose of this bill is to promote the use of renewable energy by eliminating the consideration of the avoided costs of a public utility in the determination of just and reasonable rates that a utility pays for electricity generated from nonfossil fuels.

The Department of Business, Economic Development, and Tourism; Consumer Advocate; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Ltd.; Hawaii Farm Bureau Federation; Blue Planet Foundation; Sierra Club – Hawaii Chapter; Hawaii Energy Policy Forum; Dowling Company, Inc.; SunPower Systems Corporation; Hawaii Renewable Energy Alliance; and Alexander & Baldwin, Inc.; testified in support of this bill. The Public Utilities Commission (PUC) and Tawhiri Power, LLC, provided comments.

Section 269-27.2(c), Hawaii Revised Statutes, provides that just and reasonable rates, as determined by PUC, for nonfossil fuel-generated electricity supplied to a public utility by a producer are capped at 100 percent of the cost that the utility avoids by purchasing the energy instead of producing it. By removing the avoided-cost limit, this bill provides greater flexibility in the determination of just and reasonable rates in purchased power pricing for nonfossil fuel-generated electricity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 697 Judiciary on H.B. No. 1101**

The purpose of this bill is to ensure compliance with the agreement between the State and the United States Department of Justice concerning conditions at Hawaii Youth Correctional Facilities (HYCF) by giving commissioned investigators of the Department of Human Services access to information necessary to investigate incidents at the HYCF.

The Office of Youth Services and the Attorney General testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 698            Judiciary on H.B. No. 866**

The purpose of this bill is to alleviate traffic congestion when law enforcement officers or emergency services personnel close traffic lanes by allowing all motor vehicles, regardless of the number of persons carried in the vehicle, to use a high occupancy vehicle lane or zipper lane in the vicinity of the lane closures.

The Department of Transportation testified in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 866, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 699            Consumer Protection & Commerce/Judiciary on H.B. No. 808**

The purpose of this bill is to improve access to health care by:

- (1) Clarifying a physician's scope of practice in the provision of telehealth services;
- (2) Establishing requirements and standards for telemedicine services, including for treatment recommendations and medical reports; and
- (3) Prohibiting the practice of telemedicine in Hawaii without a license to practice medicine in Hawaii.

The Department of Commerce and Consumer Affairs (DCCA), the Chamber of Commerce of Hawaii, Hawaii Medical Service Association, and MDX Hawaii testified in support of this bill. DCCA's Regulated Industries Complaints Office, the Hawaii Medical Board, Hawaii Telehealth Collaborative, and Hawaii Medical Association provided comments.

Hawaii's unique geographic location necessitates the use of new ideas and technologies to overcome barriers to medical care, particularly for rural areas where access to care is especially difficult. Telemedicine allows physicians to treat patients through the use of telecommunications, providing a cost-effective and convenient alternative for the provision of health care in certain circumstances. This bill supports the use of telemedicine as a means of addressing the shortage of physicians in Hawaii and improving access to health services in general.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 808 and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Ito, Luke, McKelvey and Morita.

**SCRep. 700            Water, Land, & Ocean Resources on H.B. No. 1165**

The purpose of this bill is to authorize the Director of Transportation to adopt rules necessary for the proper regulation and control of traffic and other related activities, and to establish safety measures and security requirements in or about commercial harbors, land, and facilities belonging to or controlled by the State.

The Department of Transportation testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1165 and recommends that it pass Third Reading.

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

**SCRep. 701            Energy & Environmental Protection on H.B. No. 245**

The purpose of this bill is to support large renewable energy facility development in Hawaii by statutorily concluding that the siting, development, construction, and operation of a renewable energy facility (REF) are compatible with the:

- (1) Purposes, standards, and permissible uses of lands within conservation and agricultural districts; and
- (2) Objectives, policies, and guidelines of the special management area and applicable county general plans and zoning ordinances.

Prior to the hearing, your Committee circulated a proposed H.D. 1 for consideration and receipt of testimony. As proposed the H.D. 1 continues the efforts of the original bill but with additional protections. As amended, the purpose of this bill is to support renewable energy facility development in Hawaii by statutorily concluding that the siting, development, construction, and operation of a renewable energy facility (REF) may be compatible with the:

- (1) Purposes, standards, and permissible uses of lands within conservation and agricultural districts; and
- (2) Objectives, policies, and guidelines of the special management area and applicable county general plans and zoning ordinances.

Further, this bill specifically provides that the siting of REFs is not exempt from the permit and approval processes of Hawaii's:

- (1) State Land Use Laws (Chapter 205, Hawaii Revised Statutes (HRS));
- (2) Coastal Zone Management Law (Chapter 205A, HRS); and
- (3) Environmental Impacts Law (Chapter 343, HRS).

In addition, this bill specifies that it does not expand the permissibility of solar facilities on agricultural land beyond what is already provided under the land use districting and classification statute, section 205-2, HRS.

The Department of Business, Economic Development, and Tourism (DBEDT), Dowling Company, Inc., and SunPower Systems Corporation testified in support of the proposed draft of this bill. The Department of Land and Natural Resources, Department of Agriculture, and Castle and Cooke Hawaii supported the proposed draft of this bill with amendments. The Office of Planning of DBEDT submitted comments on the proposed draft of this measure.

Hawaii is an island state that is almost entirely reliant on imported oil for its energy needs. Our island state is in the unique position of having some of the most plentiful sources of renewable energy anywhere in the world, including wind, solar, and ocean energy. Developing and increasing Hawaii's use of renewable energy will help increase Hawaii's energy independence, as well as work toward improving the environmental conditions of Hawaii.

Your Committee finds that the energy security, environmental benefits, increased food self-sufficiency, and stimulus to the state's economy that can be derived from producing energy from renewable resources provide a sound foundation to support the siting of REFs in conservation and agricultural districts and special management areas. With their collateral benefits, REFs on lands within these districts and areas are compatible with the state's energy goals, while proper oversight and supervision of these activities will continue to protect the public health, safety, and welfare of Hawaii's people.

After further consideration, your Committee has amended this bill by adopting the language contained in the proposed H.D. 1 and making the following additional amendments:

- (1) Expanding the underlying purpose of this measure to include the protection of agricultural resources and activities;
- (2) Authorizing (rather than declaring its compatibility with applicable policies, standards, and objectives) the siting of REFs within conservation and agricultural districts and special management areas;
- (3) Deleting the specific reference to the prohibition against the development of a solar facility in the agricultural district, unless it is a permitted use;
- (4) Providing that the siting of REFs is also not exempt from the limitation, priority, permit, or approval processes of Chapter 183C, HRS, (relating to conservation districts);
- (5) Specifically providing that permitting or approving agencies are not prevented from imposing reasonable and appropriate restrictions on the type of siting of REFs to protect agricultural resources and activities, the environment, the health, safety, and welfare of the public;
- (6) Requiring all permitting or approving agencies to adopt procedures relating to:
  - (A) The types of permissible and the location of REFs in conservation and agricultural districts and special management areas;
  - (B) Mitigation measures to protect agricultural resources and activities, the environment, and health, safety, and welfare of the public; and
  - (C) The authority of the Energy Resources Coordinator to prioritize REF applications as they relate to state, county, and federal permits; provided that the priority does not mitigate the effect of any laws regulating REFs;
- (7) Restricting renewable energy facilities to those facilities allowed under Chapter 205, HRS (the state land use district law), to wit: wind energy, bio-fuel processing, agricultural-energy, and solar energy facilities;
- (8) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for consistency, style, and clarity.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 245, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 245, H.D. 1.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 702 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 1351**

The purpose of this bill is to support agriculture by:

- (1) Encouraging and allowing contiguous public or private land owners in agricultural districts to establish private agricultural parks (park) by registering with the Department of Agriculture (DOA); and
- (2) Permitting park members by private agreements to:
  - (a) Engage in the generation of electrical energy to be sold, transmitted, and consumed within the park;
  - (b) Collect, sell, and distribute cold water to members within the park to operate cooling and processing facilities for agricultural products and air conditioning;
  - (c) Collect, store, sell, and distribute nonpotable water for irrigation purposes to members within the park; and
  - (d) Engage in any other lawful activity within the park for the benefit of its members.

The Department of Planning and Permitting of the City and County of Honolulu, Kohala Ditch Project, and a concerned individual testified in support of this bill. DOA and Hawaii's Thousand Friends opposed this measure. The Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., provided comments.

Your Committees find that cooperation between adjoining land owners, with minimal regulatory oversight, provides flexibility and economies of scale that foster successful agricultural endeavors. However, your Committees have concerns relating to the ownership of the electric generation facility and the regulation of the facility by the Public Utilities Commission. Accordingly, your Committees have amended this bill by:

- (1) Providing that the electrical transmission and distribution system must be solely owned by a consumer cooperative association formed in accordance with Chapter 421C, Hawaii Revised Statutes; and
- (2) Changing the effective date to June 30, 2050, to encourage and facilitate further discussion on this measure.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1351, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1351, H.D. 2.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 703            Judiciary on H.B. No. 366**

The purpose of this bill is to provide protections for manta rays by establishing fines and penalties for knowingly killing or capturing manta rays within state waters.

The Humane Society of the United States in Hawaii, Hawaii Audubon Society, Conservation Council for Hawaii, Manta Science Advisory Board, Maldivian Manta Ray Project, Hawaii Association for Marine Education and Research, Inc., Manta Pacific Research Foundation, Ocean Tourism Coalition, Friends of Pebble Beach, and numerous concerned individuals testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Department of Land and Natural Resources and a concerned individual provided comments.

Your Committee has amended this bill by inserting a provision that makes an exception for activities granted a special permit for scientific, education, management, or propagation purposes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 366, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 366, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 704            Judiciary on H.B. No. 874**

The purpose of this bill is to prohibit residential real property deed restrictions or other covenants running with the land from requiring the payment of fees for the future transfer of the property, except certain fees or charges relating to:

- (1) Payments to a lender on a mortgage loan secured by the property;
- (2) Payments to homeowners', condominium, cooperative, or property owners' associations pursuant to a declaration, covenant, or law applicable to the association;
- (3) Lease payments and charges to landlords;
- (4) Payments to the holder of an option to purchase an interest in residential real property, or holder of a right of first refusal or first offer to purchase such interest, for waiving the option or right upon transfer of the property to another person; and
- (5) Payments to a government entity.

The Hawaii Association of Realtors supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 874, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 874, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 705            Judiciary on H.B. No. 1414**

The purpose of this bill is to deter scrap metal theft by making permanent the law that established a misdemeanor offense for thefts of metal beer kegs and imposed various additional documentation requirements for scrap dealer purchases of beer kegs, otherwise known as Act 53, Session Laws of Hawaii 2008.

Anheuser Busch Companies testified in support of this bill. The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company submitted comments on this measure.

Your Committee has amended this bill by inserting language that makes permanent the:

- (1) Definition of copper in section 445-231, Hawaii Revised Statutes (HRS); and
- (2) Requirements for the purchase or sale of scrap metal that is defined as copper.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1414, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 706            Judiciary on H.B. No. 1537**

The purpose of this bill is to specify that any person, including an employer, that provides for an automatic external defibrillator (AED) program shall not be vicariously liable for any civil damages resulting from any act or omission by a Good Samaritan attempting to use an AED, except as may result from gross negligence or wanton acts or omissions.

The Department of Health, American Heart Association, AED Institute of America, Inc., and several individuals testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1537, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1537, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 707            Judiciary on H.B. No. 1040**

The purpose of this bill is to make permanent the law shielding county lifeguards from liability while providing lifeguard services on the beach or in the ocean.

The Department of the Attorney General, a member of the Maui County Council, a member of the Kauai County Council, Honolulu Emergency Services Department, County of Hawaii Office of the Corporation Counsel, Hawaii County Fire Department, Hawaii Council of Mayors, Hawaii Government Employees Association, Hawaiian Lifeguard Association, and a concerned individual supported this bill. The Department of Land and Natural Resources, Kauai Fire Department, and Department of the Corporation Counsel of the City and County of Honolulu supported this bill with amendments. The Hawaii Association for Justice opposed this bill.

Your Committee has amended this measure by adding a new part which repeals the sunset date of Act 82, Session Laws of Hawaii (SLH) 2003, as amended by Act 152, SLH 2007. This part makes permanent limited liability protections for the State and counties for incidents arising on improved public lands, provided that certain signage requirements are met.

In addition, your Committee has further amended this measure by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1040, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1040, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, Luke, McKelvey, Morita and Thielen.

**SCRep. 708            Judiciary on H.B. No. 1316**

The purpose of this bill is to abolish joint and several liability for design professionals in tort claims relating to the maintenance and design of public highways, except when the design professional's degree of negligence is 25 percent or more.

Engineering Solutions, Inc.; Fukunaga & Associates, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; American Council of Engineering Companies of Hawaii; American Society of Civil Engineers - Hawaii Section; Austin, Tsutsumi & Associates, Inc.; The Limtiaco Consulting Group, Inc.; Gray, Hong, Nojima, & Associates, Inc.; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; Brown and Calwell; KAI Hawaii, Inc.; Consulting Structural Hawaii, Inc.; Erskine Architects, Inc.; WTN Architecture, Inc.; American Society of Landscape Architects – Hawaii Chapter; Atlas Engineering, LLC.; Arcadia Architecture, Inc.; Collaborative Studio, LLC.; TreeHouse HI Team, LLC.; Tanimura & Associates, Inc.; Don Shaw AIA, Inc.; Riehm Owensby Planners Architects; Ferraro Choi and Associates, Ltd.; Kelso Architects, Inc.; John K. Mossman Design, Inc.; and several concerned individuals supported this bill. The Hawaii Association for Justice opposed this measure. Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Hawaiian Telcom submitted comments.

Your Committee has amended this bill by:

- (1) Adding public utilities, as defined in Section 269-1, Hawaii Revised Statutes, as a type of organization covered by the same 25 percent fault attribution necessary to be held jointly and severally liable in claims relating to the maintenance and design of public highways; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1316, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1316, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Morita, Wakai and Thielen.

**SCRep. 709 Water, Land, & Ocean Resources on H.B. No. 865**

The purpose of this bill is to ensure coordination between the State and counties when formulating the Department of Transportation's (DOT) Statewide Transportation Plan for projected transportation needs by requiring DOT to comply with county transportation and general plans.

The Department of Planning and Permitting of the City and County of Honolulu, Department of Transportation Services of the City and County of Honolulu, the Council Chair of the Maui County Council, a member of the Kauai County Council, the chairman of the Kauai County Council-County Planning Committee, Building Industry Association of Hawaii, Hawaii Association of REALTORS, Hawaii Building and Construction Trades Council, AFL-CIO, The Chamber of Commerce of Hawaii, and a concerned individual testified in support of this bill. DOT opposed this measure.

Your Committee recognizes that DOT's failure to comply with federal law will jeopardize its ability to receive federal highway and transportation funding. It is not the intent of your Committee to compromise the availability of federal funding.

Accordingly, your Committee has amended this bill by clarifying the provision that compliance with county plans shall be to the extent that it does not affect the receipt of federal funds.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 865, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, C. Lee, Luke and Morita.

**SCRep. 710 Consumer Protection & Commerce/Judiciary on H.B. No. 1611**

The purpose of this bill is to promote truthful labeling of meat and fish products by requiring such products that have been gas-treated to be labeled with:

- (1) The type of gas used; and
- (2) A statement that the gas treatment was used to approximate the appearance of freshness.

The Hawaii Teamsters and Allied Workers, Local 996 testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Hawaii Food Industry Association and Grocery Manufacturers Association opposed this bill. The Department of Health provided comments.

Gas treatments can be used to enhance the color of meat and fish and give them the appearance of freshness even when they have high bacterial levels indicative of spoilage. This bill seeks to ensure that gas-treated meat and fish products are labeled as such to enable consumers to make informed purchases.

Your Committees have amended this bill by:

- (1) Removing references to:
  - (A) Meat or meat products derived from exotic animals; and
  - (B) Gas treatments to enhance product color;

and

- (2) Changing the effective date to November 1, 2009.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1611, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1611, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Ito, McKelvey and Morita.

**SCRep. 711 Consumer Protection & Commerce/Judiciary on H.B. No. 812**

The purpose of this bill is to protect domestic violence victims by allowing them to terminate their rental agreement without penalty after notifying the landlord in writing and attaching either:

- (1) A copy of a temporary restraining order (TRO) or protective order (PO); or
- (2) A written report prepared by a law enforcement officer showing that allegations of domestic abuse, sexual assault, or harassment by stalking were filed.

The Honolulu Police Department, Hawaii State Coalition Against Domestic Violence, Sex Abuse Treatment Center, Legal Aid Society of Hawaii, and several concerned individuals testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Association of REALTORS, and a concerned individual provided comments.

There are concerns that this bill:

- (1) Allows terminations of rental agreements to be based on criminal offenses, such as sexual assault and harassment by stalking, that may exceed the scope of this bill's title, "Relating to Domestic Violence"; and
- (2) Provides for the attachment of police reports to the notice to terminate the rental agreement, even though current procedures apparently do not permit the release of police reports to the public without a court subpoena, which may create additional time delays and expenses for victims attempting to provide notice to a landlord under this measure.

Accordingly, your Committees have amended this bill by:

- (1) Eliminating all references to specific criminal offenses and instead providing that termination of a rental agreement under this measure may be based on an act of abuse of a family or household member;
- (2) Replacing the police report attachment provision with one allowing the attachment of an affidavit executed by a prosecuting attorney regarding the victim's need for safety, using the criteria currently applied under section 574-5(e), Hawaii Revised Statutes (HRS), for endangered individuals seeking a name change without the standard publication requirement;
- (3) Providing that:
  - (A) Any tenant who does not vacate within 15 days of providing the landlord notice to terminate the rental agreement is to be treated as a holdover tenant on a month-to-month tenancy; and
  - (B) Any other co-tenant under the rental agreement is to be treated as a tenant on a month-to-month tenancy 15 days after the notice to terminate the rental agreement has been given;

and
- (4) Changing the effective date to November 1, 2009.

Your Committees further note that while this bill provides for the attachment of TROs or POs to the notice of rental agreement termination, it may be preferable to limit this provision to POs only in the interest of discouraging fraudulent uses of the process established by this bill. This is because TROs are ex parte orders that may be issued without prior notice to the respondent and based only on the account of the alleged victim (section 586-4, HRS). Following the issuance of a TRO, a court hearing is held at which both parties may present their arguments on whether the protections of the TRO should continue through the issuance of a PO (sections 586-5 and 586-5.5, HRS).

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 812, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 812, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, McKelvey, Morita and Souki.

#### **SCRep. 712 Consumer Protection & Commerce/Judiciary on H.B. No. 1696**

The purpose of this bill is to improve the operations of the motor vehicle rental industry by:

- (1) Replacing statutory references to "collision damage waiver" with "damage waiver" to clarify that the waiver, under which the motor vehicle lessor agrees for a charge to waive any claim against the lessee for damages to the rental vehicle during the term of the rental agreement, is not restricted to damage from a collision;
- (2) Allowing lessors to meet damage waiver option disclosure requirements by placing the information in wall holders;
- (3) Repealing the requirement that lessors place notices of vehicle laws in each rental vehicle;
- (4) Repealing the authority of the Department of Commerce and Consumer Affairs (DCCA) to prescribe the form of notices and signs required of lessors;
- (5) Modifying the charges that may be assessed against a lessee for damage to a rental vehicle that is neither repaired nor declared a total loss, to allow the lessor to charge up to the costs of the parts and labor necessary to repair the vehicle; and
- (6) Repealing the requirement that lessors submit information to DCCA regarding their sale of damage waivers in a given year and amounts expended to repair damage to rental vehicles caused while the vehicles are subject to the damage waiver.

Enterprise Rent-A-Car Company of Hawaii, Vanguard Car Rental USA, Inc., and Catrala-Hawaii testified in support of this bill. DCCA opposed this measure.

DCCA expressed concerns regarding the provision of this bill allowing a lessor to charge lessees the cost of repairing a rental vehicle, even if the vehicle is not actually repaired. Current law provides that for damaged rental vehicles that are neither repaired nor declared a total loss, the lessor may charge no more than the diminution in value of the vehicle, which is the difference between the value of the vehicle before damage and the value after damage.

Accordingly, your Committees have amended this bill by restoring the current law using diminution in value as the measure for charges that may be assessed against a lessee for damage to a rental vehicle that is neither repaired nor declared a total loss. Technical, nonsubstantive amendments were also made for clarity and style.



As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1696, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1696, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, McKelvey, Morita and Souki.

**SCRep. 713 Consumer Protection & Commerce on H.B. No. 197**

The purpose of this bill is to reduce Hawaii's dependence on fossil fuels by authorizing condominium association boards of directors to install or allow the installation of solar energy or wind energy devices on the common elements of the project.

The Hawaii Council of Associations of Apartment Owners and a concerned individual testified in support of this bill.

Section 196-7, Hawaii Revised Statutes, allows individual owners within certain common-interest communities to install solar energy devices. This bill proposes to give condominium association boards a similar option for solar energy and wind energy devices installed on common elements.

Your Committee has amended this bill by changing the definition of "wind energy device" to clarify that if such "equipment to be installed," rather than "equipment sold," cannot be used without the incorporation of other equipment, the equipment must be installed in place and made readily operational to qualify as a wind energy device.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 197, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 197, H.D. 1.

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

**SCRep. 714 Consumer Protection & Commerce on H.B. No. 244**

The purpose of this bill is to support agriculture by expanding the preferential rates for potable water used for agricultural activities, to include preferential rates for any public utility service used for agricultural activities within agricultural districts.

The Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, and a concerned individual testified in support of this bill. The Department of Agriculture and Office of Hawaiian Affairs supported the intent of this measure. The Consumer Advocate and Public Utilities Commission (PUC) provided comments.

Section 269-26.5, Hawaii Revised Statutes, provides a mechanism for the establishment of preferential rates for potable water used in agricultural activities. This bill increases the scope of this law to provide preferential rates for any other public utility service used for agricultural activities in agricultural districts, such as electricity and freight transport. While this bill is intended to help Hawaii's agricultural industry remain competitive and self-sustaining, there are concerns because the preferential rates would be subsidized by all other utility ratepayers, who may find their higher rates overly burdensome, particularly during economically challenging times. These concerns merit further consideration as this bill moves forward.

Your Committee has amended this bill by:

- (1) Repealing the statutory provision requiring PUC to allow public utilities to recover reasonable, unamortized costs incurred in rate cases initiated pursuant to the establishment of preferential rates for agricultural ratepayers. There were concerns that this provision allows utilities to be indifferent to filing new rate case applications in response to requests for preferential rates; and
- (2) Changing the effective date to January 1, 2090, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 244, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 244, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Luke, McKelvey and Morita.  
(Representative Thielen voted no.)

**SCRep. 715 Consumer Protection & Commerce on H.B. No. 591**

The purpose of this bill is to promote the use of renewable energy by:

- (1) Authorizing preferential rates for electricity purchased by electric utilities from renewable energy producers associated with agricultural activities; and
- (2) Providing other incentives for electric utility companies to exceed their renewable portfolio standards or to meet their renewable portfolio standards ahead of time.

The Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, Hamakua Springs, and Alexander & Baldwin, Inc., testified in support of this bill. The Consumer Advocate and Public Utilities Commission (PUC) provided comments.

Your Committee has amended this bill by:

- (1) Reducing its scope to the authorization of preferential rates for the purchase of renewable energy produced in conjunction with agricultural activities. As amended, this bill now authorizes PUC to establish such preferential rates following a public utility's receipt of a bona fide request;
- (2) Changing the effective date to January 1, 2090, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 591, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 591, H.D. 1.

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

**SCRep. 716 Consumer Protection & Commerce on H.B. No. 267**

The purpose of this bill is to facilitate interisland shipments of rental motor vehicles by providing an exemption from documentation requirements for these vehicles when they are transported interisland by any water carrier:

- (1) Authorized by the Public Utilities Commission (PUC) to transport vehicles interisland; and
- (2) That has a written agreement with the owner of the rental vehicle.

Young Brothers, Limited, and Hawaii Superferry testified in support of this bill. Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, and Vanguard Car Rental USA, Inc., provided comments.

Current law prohibits interisland shipments of motor vehicles without presentation of the shipping party's identification, the certificate of vehicle registration, and proof of motor vehicle insurance. Authorized agents of the vehicle's legal or registered owner must also present a notarized letter from the owner authorizing the shipment. While these documentation requirements are intended to prevent the shipment of stolen vehicles, they can be overly burdensome for rental car customers. Your Committee finds that a limited exemption for rental motor vehicles may be feasible in light of other available safeguards, such as prior arrangements and familiarity between water carriers and car rental companies, as well as statutory requirements to record and retain for a certain time period vehicle identification numbers, vehicle descriptions, and records of the vehicle's shipment.

Accordingly, your Committee has amended this bill by:

- (1) Providing that this measure applies to lessees of rental motor vehicles; and
- (2) Requiring water carriers making interisland shipments of rental motor vehicles to:
  - (A) Pursuant to section 286-271(d), Hawaii Revised Statutes (HRS), record by physical inspection the vehicle identification number and maintain a record of the vehicle's transport and a description of the vehicle for at least three years; and
  - (B) Pursuant to section 286-271(f), HRS, make these records available to law enforcement and financial institutions.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 267, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 267, H.D. 2.

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

**SCRep. 717 Agriculture on H.B. No. 1663**

The purpose of this bill is to prohibit the development, testing, propagation, release, importation, planting, or growing of genetically modified taro in the State of Hawaii.

The Office of Hawaiian Affairs and numerous organizations and individuals supported this bill. The University of Hawaii, Department of Agriculture, and several organizations and individuals opposed this bill.

Section 1 of this bill describes the importance of kalo to the culture of the kanaka maoli. Your Committee recognizes and appreciates those statements and the sincerity of the testifiers who repeated similar sentiments.

Your Committee, however, also recognizes the sincerity of the testifiers who desire retaining full capability for scientific research on taro. Your Committee believes that those testifiers have legitimate concerns, particularly the Kauai taro farmers who grow much of the taro harvested in the state. They have a significant interest in maintaining options to scientifically improve the productivity, yield, quality, and drought, pest, or disease resistance of taro.

Consequently, your Committee has given strong consideration to limiting the scope of the bill to "Hawaiian" taro.

Proponents of this bill have also expressed concern about the possibility of cross-pollination of Hawaiian taro and genetically modified non-Hawaiian taro. Your Committee deems this concern to be a valid and serious one.

Accordingly, your Committee has amended this measure by:

- (1) Making the prohibition applicable to genetically modified Hawaiian taro and inserting a definition for "Hawaiian taro";
- (2) Adding a new provision prohibiting non-Hawaiian taro from being genetically modified:
  - (A) Outside an enclosed laboratory; or
  - (B) Inside an enclosed laboratory, unless entry into the enclosed laboratory is prohibited to the general public;
- (3) Adding a new provision prohibiting genetically modified non-Hawaiian taro from being tested, propagated, planted, or grown:

- (A) Outside an enclosed structure; or
- (B) Inside an enclosed structure, unless entry into the enclosed structure is prohibited to the general public;
- (4) Establishing a petty misdemeanor offense for violations of the prohibitions established in this measure;
- (5) Changing its effective date to July 1, 2050, to encourage further discussion on this matter; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee intends that this bill move forward in tandem with House Bill No. 1226, passed out by your Committee in an amended form, H.D. 1, which prohibits state administrative regulatory actions and county regulatory actions from banning or otherwise regulating genetically modified plant organisms, with certain exceptions. Your Committee finds that both this bill and House Bill No. 1226, H.D. 1, reflect a comprehensive approach to the regulation of genetically modified plants in Hawaii. Your Committee emphasizes that House Bill No. 1226, H.D. 1, is not intended to nullify this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1663, H.D. 1.

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

**SCRep. 718 Economic Revitalization, Business, & Military Affairs on H.B. No. 319**

The purpose of this bill is to increase employee awareness of their rights under the family leave law by requiring employers to annually provide written notice to each of their employees, of those rights, and of the possible adverse impact of taking family leave on other employee rights and benefits.

The Policy Advisory Board for Elder Affairs, ILWU Local 142, and a concerned individual testified in support of this bill. The Chamber of Commerce of Hawaii, Department of Human Resources Development, and Retail Merchants of Hawaii opposed this measure. The Department of Labor and Industrial Relations commented on this bill.

Concerns were voiced about the cost of this measure to employers. Your Committee also understands that under other labor laws, employers are required to post information about the law in a conspicuous place, providing a daily reminder to employees.

Upon consideration, your Committee has amended this bill by requiring the information about the family leave law to be posted by employers in a conspicuous place in every establishment where an employee is employed.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 319, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 319, H.D. 1.

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

**SCRep. 719 Economic Revitalization, Business, & Military Affairs on H.B. No. 1272**

The purpose of this bill is to improve the Electronic Waste Recycling Act by clarifying that to be exempt from the Act, a computer manufacturer must have sales of no more than 100 computers per year, and do not have to be located in Hawaii or manufacture specialized computers.

The Department of Health did not support this measure.

This bill is for the most part a housekeeping measure, and opposition to the bill appears to be a product of opposition to the underlying Electronic Waste Recycling Act.

Your Committee has amended this bill by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1272, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1272, H.D. 1.

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

**SCRep. 720 Judiciary on H.B. No. 1422**

The purpose of this bill is to allow counties to remove abandoned motor vehicles from private roads.

Several concerned individuals testified in support of this bill. The Honolulu Department of Customer Services and the Honolulu Police Department opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring the owner of the private road to request in writing the removal of a vehicle before it will be considered abandoned;
- (2) Requiring the owner of the private road who requests vehicle removal to pay for the removal;
- (3) Deeming the owner of the private road who requests vehicle removal to agree to indemnify and hold the county harmless for claims arising from the removal and disposal of the vehicle;
- (4) Establishing a sunset date of January 1, 2010, for the measure; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1422, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1422, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 721 Judiciary on H.B. No. 869**

The purpose of this bill is to clarify and extend the notice provision under which the owner of a rental motor vehicle will not be responsible for a lessee's traffic infraction. Specifically, this bill:

- (1) Extends the time period in which the owner must provide the lessee's name and address from 45 to 60 days; and
- (2) Clarifies that the time period begins on the date of the mailing of the notice.

Catrala-Hawaii, Dollar Thrifty Automotive Group, Inc., Avis Budget Group – Hawaii Region, Alamo Rent A Car, Enterprise Rent A Car, National Car Rental, and the Hertz Corporation supported this bill with amendments. The Judiciary commented on this measure.

Your Committee has amended this bill by:

- (1) In addition to the owner's obligation to provide the lessee's name and address, requiring the court to mail a copy of the summons or citation to the rental motor vehicle owner within 60 days of its issuance for the owner to be responsible for the violation;
- (2) Changing the effective date to July 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 869, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 722 Judiciary on H.B. No. 1593**

The purpose of this bill is to assist small businesses in serving their communities through their continued operation in their current locations by establishing certain limits on the renegotiation of commercial or industrial lease rent where the terms of the lease require the renegotiated annual rent to be fair and reasonable.

Servco Pacific Inc., Inter-Island Solar Supply, A-1 A-Lectrician, Inc., Citizens for Fair Valuation, GP Roadway Solutions, Ben Franklin Crafts, Bacon Universal Company, Inc., Plywood Hawaii, Inc., Sawdust, Pacific Jobbers Warehouse, Inc., Olelo Community Television, Grace Pacific Corporation, and American Electric testified in support of this bill. A concerned individual supported this measure with amendments. Alexander & Baldwin, Inc., and HRPT Properties Trust opposed this bill.

Your Committee finds that small businesses play an essential role in Hawaii's economy. However, many small businesses are encountering difficulties in renegotiating lease rents with their landlords. Testifiers on this measure, many of whom represented small business, highlighted the problem in the original leases, which contain a unique term of art that is not defined by case law or any other method, noting that this situation was an impediment to renegotiations. As such, your Committee finds that clarification of the term "fair and reasonable," as accomplished by this bill, is necessary.

Your Committee also finds that lands classified by the Land Study Bureau as Class A and Class B lands, which are the lands most suitable for intensive agricultural use, have rapidly dwindled in counties with a population over 500,000. Because these lands are fixed in availability and declining rapidly, protecting them becomes more important. Therefore, your Committee has amended this bill by adding an additional part to carry out the mandate of Article XI, section 3, of the Hawaii State Constitution, which requires the conservation and protection of the most productive agricultural lands, and to assure the availability of productive agricultural lands in counties with a population over 500,000 by:

- (1) Extending current farming leases on land classified as Class A or B lands for a period of not less than 75 percent of the original term of the lease, whenever renegotiation of the rental amount and the term of the lease is provided for in an agreement or document for the lease of private agricultural lands and the lessee has made improvements or is seeking to make improvements on the land; and
- (2) Prohibiting the amendment of a land use district boundary for Class A and B agricultural lands that meet all four of the following criteria:
  - (A) A farming operation as defined in section 165-2, Hawaii Revised Statutes, is being conducted on the land;
  - (B) The land is important for agriculture based on the stock of similarly suited lands in the area;
  - (C) The district boundary amendment will harm the productivity or viability of existing agricultural activity in the area; and
  - (D) The district boundary amendment will cause fragmentation of or intrusion of nonagricultural uses into largely intact areas of Class A and B agricultural lands

Your Committee has further amended this bill by:

- (1) Clarifying provisions that establish certain limits on the renegotiation of commercial or industrial lease rent where the terms of the lease require the renegotiated annual rent to be fair and reasonable;

- (2) Specifying that the provision for renegotiation of a lease take into account any and all relevant attendant circumstances relating to the lease, including:
  - (A) Past renegotiation practices and policies throughout the previously renegotiated lease rents;
  - (B) The uses and intensity of the use of the leased property during the term of the lease approved by the lessor;
  - (C) The surface and subsurface characteristics of the leased property and the surrounding neighborhood of the leased property on the renegotiated date; and
  - (D) The gross income generated by the lessee on the renegotiated date;
- (3) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1593, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1593, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 723            Judiciary on H.B. No. 1784**

The purpose of this bill is to protect both patients and physicians while addressing the high costs of medical malpractice insurance and defensive medicine by, among other things:

- (1) Limiting the amount awarded for noneconomic damages in medical tort cases against physician specialists;
- (2) Setting the award limit for noneconomic damages in cases of gross negligence by physician specialists;
- (3) Requiring health care providers to disclose to patients adverse events relating to their medical treatment; and
- (4) Requiring the Hawaii Medical Board to collect and publish information about physicians licensed in the state to allow consumers to make informed decisions in selecting physicians.

The Department of Health, Castle Medical Center, National Federation of Independent Business, Hawaii Medical Association, and several concerned individuals testified in support of this bill. The Insurance Division of the Department of Commerce and Consumer Affairs, Office of Language Access of the Department of Labor and Industrial Relations, and Hawaii Association of Health Plans supported the intent of this measure. The Hawaii Association for Justice and several concerned individuals opposed this bill. The Hawaii Medical Board, Queen's Medical Center, and a concerned individual offered comments.

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

- (1) Deleting the new section concerning admission of evidence of collateral benefits;
- (2) Deleting the new section regarding attorney fees;
- (3) Deleting the new section regarding periodic payments;
- (4) Changing the maximum award limit for noneconomic damages from \$250,000 to the amount proposed by the Medical Malpractice Task Force and enacted; except the limit shall not apply if the claimant's economic damages are less than \$1,500,000;
- (5) Deleting the \$3,000,000 cap on noneconomic damages resulting from gross negligence;
- (6) Requiring the trier of fact to consider the negligence or other fault of all alleged parties, in the assessment of percentage of negligence or other fault;
- (7) Clarifying that if there is a verdict for the plaintiff in a medical tort action, the court shall make each defendant physician specialist liable for the percentage of negligence or other fault for noneconomic, rather than compensatory, damages attributed to the physician specialist, which is to be capped at the maximum award limit for noneconomic damages;
- (8) Giving a claimant three years to commence legal action after discovering a cause of action concealed by fraud, intentional concealment, or the presence of a foreign body that has no therapeutic or diagnostic purpose or effect;
- (9) Deleting the definitions of "gross negligence" and "periodic payments";
- (10) Specifying that the provisions of the bill apply to physicians or osteopathic physicians licensed in the state and board-certified in general surgery;
- (11) Requiring the Insurance Commissioner to set the premium rate for health care provider professional liability insurance, based on the average of the premium rates between January 1, 2003, and December 31, 2009, instead of at 25 percent of the lowest rate in effect during that period;
- (12) Establishing the Medical Malpractice Task Force, to be dissolved on June 30, 2011, that shall:
  - (A) Develop a strategic plan to address the high costs of medical malpractice insurance rates;
  - (B) Propose a maximum award limit on noneconomic damages to take effect on July 1, 2010, if enacted;

- (C) Study various issues relating to medical tort reform; and
  - (D) Develop recommendations on damage award ranges and guidelines for malpractice claims based on recent cases, which may be used in cases to determine damages;
- (13) Establishing the Medical Malpractice Rate Commission that shall convene in 2010, and every three years thereafter, to evaluate certain factors and conduct public hearings to establish:
- (A) A fair and reasonable market-price medical malpractice insurance rate for physician specialists in Hawaii, including a medical malpractice insurance rate range specifying the minimum and maximum rate price; and
  - (B) A maximum award limit for noneconomic damages for physician specialists;
- (14) Requiring the Department of Commerce and Consumer Affairs, in its report to the Legislature, to include annual statistics relating to the effects of the implementation of the medical tort reform provisions contained in the bill;
- (15) More appropriately placing the provision regarding notification of patients of adverse events in Chapter 671, Hawaii Revised Statutes (HRS), rather than Chapter 321, HRS;
- (16) Specifying that whenever possible, a health care provider or an appropriately trained designee of a health care provider must notify in person each patient regarding any adverse event that could result in serious harm to or a life threatening situation for the patient within 72 hours of the adverse event or discovery of the adverse event; provided that all applicable federal laws regarding patient care shall still apply;
- (17) Changing the definition of "adverse event";
- (18) Changing the definition of "notify";
- (19) Amending the penalty for failure to comply with the requirement for notification, from license revocation and any other civil or criminal penalties permitted by law, to disciplinary action as established by the Hawaii Medical Board, and any other applicable civil penalties as permitted by law;
- (20) Deleting the provisions that would have made available to the public a profile of each physician licensed to practice medicine in the state;
- (21) Changing its effective date to July 1, 2046, to encourage further discussion; and providing that the noneconomic damages provisions are to take effect on July 1, 2047, and be repealed on June 30, 2014; and
- (22) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1784, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 724 Economic Revitalization, Business, & Military Affairs on H.B. No. 632**

The purpose of this bill is to ensure that the membership of the Policy Advisory Board on Veterans' Services (Board) represents the full range of veterans' interests by:

- (1) Requiring the Governor, in appointing members, to ensure that all minority viewpoints are represented, including issues of concern to women veterans; and
- (2) Providing that one member be a representative of the Yukio Okutsu Veterans' Home.

The Office of Veterans' Services (OVS) supported the intent of this bill.

OVS testified that the Board currently appoints members who are female or who represent ethnic minorities; however, your Committee finds that this bill is necessary if we are to ensure that minority viewpoints will continue to be represented on the Board in the future. Your Committee also heard that a representative from the Yukio Okutsu Veterans' Home attends Board meetings and that a measure currently moving through the Legislature would increase the information available to the Board concerning this facility.

Accordingly, your Committee has amended this bill by:

- (1) Removing the requirement that a representative of the Yukio Okutsu Veterans' Home be on the Board; and
- (2) Changing the effective date of the measure to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 632, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 725 Finance on H.B. No. 35**

The purpose of this bill is to meet the requirements of Article VII, section 6, of the Hawaii Constitution which mandates that a tax refund or tax credit be provided to Hawaii taxpayers when the state general fund balance at the close of each of two successive fiscal years exceeds five percent of the general fund revenues for each of the two fiscal years.

The Department of Taxation and Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by:

- (1) Specifying that the general income tax credit shall be \$1; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 35, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 35, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 726 Finance on H.B. No. 214**

The purpose of this bill is to authorize general obligation bonds for the repair and resurfacing of the Wailua emergency bypass road and upgrades to the Waimea wastewater treatment plant in Kauai County.

The County of Kauai Department of Public Works, and its Wastewater Management Division supported this bill.

Your Committee has amended this bill by:

- (1) Removing specific appropriation and bond amounts; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 214, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 727 Finance on H.B. No. 573**

The purpose of this bill is to build up the State's financial reserves in preparation for the next economic downturn.

This bill requires that whenever the State general fund balance at the close of any fiscal year represents a carryover cash surplus, the Director of Finance shall deposit 15 percent of the balance into the Emergency and Budget Reserve Fund (Fund).

The Hawaii Government Employees Association testified in support of this bill. The Department of Budget and Finance and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Replacing the specific percentage of the cash surplus to be deposited into the Fund with provisions requiring that up to an unspecified percentage be deposited;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 728 Finance on H.B. No. 1218**

The purpose of this bill is to appropriate \$50,000,000 in general obligation bond funds for state capital improvement projects within each county with the requirement that each relevant county appropriate an equal amount for county capital improvement projects.

A member of the Maui County Council provided comments on this measure.

Your Committee has amended this bill by:

- (1) Removing the amount of general obligation bonds authorized and appropriated for state capital improvement projects; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1218, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 729 Finance on H.B. No. 1730**

The purpose of this bill is to increase the amount of moneys in the general fund while improving the infrastructure for cancer research in Hawaii by:

- (1) Requiring the transfer of \$40,000,000 from the Hawaii Cancer Research Special Fund (Special Fund) to the general fund in two installments, \$20,000,000 on July 1, 2009, and \$20,000,000 on July 1, 2010; and
- (2) Authorizing the issuance of \$20,000,000 in general obligation (GO) bonds for fiscal years 2009-2010 and 2010-2011 to fund construction of the Cancer Research Center of Hawaii.

The University of Hawaii, American Cancer Society Hawaii Pacific Inc., The Queen's Medical Center, and The Queen's Health Systems opposed this bill.

To encourage further discussion on this matter, your Committee has amended this measure by:

- (1) Changing the amounts to be transferred from the Special Fund to the general fund to unspecified amounts;
- (2) Changing the amount of GO bond issuance to an unspecified amount; and
- (3) Changing its effective date to July 1, 2020.

Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1730, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 730 Finance on H.B. No. 34**

The purpose of this bill is to:

- (1) Authorize the issuance of general obligation bonds; and
- (2) Determine whether the issuance of these general obligation bonds will cause the State's debt limit to be exceeded.

The Department of Budget and Finance supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 34 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 731 Finance on H.B. No. 694**

The purpose of this bill is to authorize the Hawaii Health Systems Corporation (HHSC) and the Maui Regional System Board to remove the Maui Regional Health Care System (System) and its facilities from HHSC by transferring regional assets to a legal entity that will finance and continue to provide health care services to Maui provided that:

- (1) The transfer is to a legally constituted entity that is financially capable, independent of HHSC, of continuing to provide the same level of health care services currently provided by the System; and
- (2) The transfer relieves HHSC of all debts, obligations, and liabilities of the System.

The Hawaii Government Employees Association and a concerned individual opposed this bill. HHSC provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 732 Finance on H.B. No. 1607**

The purpose of this bill is to help improve services and service delivery in public hospitals by restructuring the Hawaii Health Systems Corporation (HHSC) to delegate control over the assets, personnel, services, and operations of HHSC to community-based, regional system boards with a transition period of not more than one year unless agreed to by the regional system board. This bill also makes an appropriation from the general fund to support the transfer of control and services.

HHSC, the Hawaii Government Employees Association, and Hawaii Primary Care Association supported this bill. The State Procurement Office and United Public Workers opposed this measure. The State Attorney General and State Auditor provided comments.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1607 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 733 Finance on H.B. No. 1729**

The purpose of this bill is to require payments of the amounts attributable to the interest on the principal of the general obligation bonds authorized and issued for the acquisition and renovation of the Old Federal Building for the Department of Commerce and Consumer Affairs (DCCA) be made out of the Compliance Resolution Fund.

DCCA testified in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1729 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 734 Finance on H.B. No. 1260**

The purpose of this bill is to establish a state securitization account (Account) within the Department of Budget and Finance (B&F) to:

- (1) Receive excess non-general funds;
- (2) Meet the qualifications imposed on the State with respect to the issuance of general obligation bonds; and
- (3) Use to temporarily finance capital improvement projects.

Under this bill, the Director of Finance must report to the Legislature:

- (1) Within ten days, any transfers to the Account; and
- (2) Quarterly, beginning August 1, 2009, all transfers made from and to the Account, and any related expenditures.

B&F and the University of Hawaii System submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1260, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 735 Finance on H.B. No. 39**

The purpose of this bill is to:

- (1) Add a \$5 surcharge to certain fees assessed by a state agency; and
- (2) Require the deposit of this surcharge into the general fund.

The Department of Budget and Finance supported this bill. The Department of Taxation, Department of Commerce and Consumer Affairs, University of Hawaii System, and Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 39, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 39, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 736 Finance on H.B. No. 861**

The purpose of this bill is to improve the voting process in elections by exempting the Office of Elections (OE) from certain procurement code and administrative rules requirements relating to cost pricing analyses.

OE testified in support of this bill. The Department of Accounting and General Services, State Procurement Office, and a concerned individual testified in opposition to this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 861, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 737 Finance on H.B. No. 1046**

The purpose of this bill is to provide flexibility to the Hawaii Community Development Authority (HCDA) while allowing HCDA to prudently manage its real property assets by allowing HCDA to sell, exchange, transfer, assign, or convey any real property located in the Kakaako Community Development District, with certain exceptions.

HCDA supported this bill. A concerned individual opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1046, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 738 Finance on H.B. No. 1231**

The purpose of this bill is to strengthened the State's health care safety net by establishing a transitional management team within the Hawaii Health Systems Corporation (HHSC) to plan for necessary restructuring.

The HHSC Board of Directors, West Hawaii Region of HHSC, United Public Workers, and several concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Prohibiting the transitional management team from incurring debt through any finance agreement or the issuance of revenue bonds;
- (2) Clarifying that the transitional management team's plan will be submitted to the Legislature prior to the 2010 Regular Session;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1231, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 739 Finance on H.B. No. 1642**

The purpose of this bill is to help ensure quality health and human services delivery by requiring that all proposals for health and human services purchases be submitted by duly licensed providers and be for the exact amount to be expended by the State.

The Hawaii Primary Care Association, Community Clinic of Maui, AlohaCare, and a concerned individual testified in support of this bill. The Department of Human Services and Office of Youth Services opposed this measure. The State Procurement Office provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1642, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 740 Finance on H.B. No. 1728**

The purpose of this bill is to increase government agency fiscal options during this economic downturn by giving administrative agencies more flexibility to increase fees and other nontax revenues from July 1, 2009, until July 1, 2015.

The Department of Budget and Finance supported this bill. The Department of Commerce and Consumer Affairs, Small Business Regulatory Review Board, Ocean Tourism Coalition, and several concerned individuals opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1728, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 741 Finance on H.B. No. 1741**

The purpose of this bill is to:

- (1) Suspend, from July 1, 2009, to June 30, 2015, the ten percent allocation of the conveyance tax paid into the Land Conservation Fund; and
- (2) Reduce, from July 1, 2009, to June 30, 2015, the conveyance tax allocation to:
  - (A) The Rental Housing Trust Fund from 30 percent to 15 percent; and
  - (B) The Natural Area Reserve Fund from 25 percent to 10 percent.

The Department of Taxation testified in support of this bill. The Office of Hawaiian Affairs, County of Hawaii Office of Housing and Community Development, City and County of Honolulu Department of Community Services, Trust for Public Land, Waianae Community Re-Development Corporation, Conservation Council for Hawaii, Coordinating Group on Alien Pest Species, Nature Conservancy, Hawaii Association of REALTORS, Mutual Housing Association of Hawaii, Inc., Hawaii Conservation Alliance Foundation, Pacific Housing Assistance Corporation, National Tropical Botanical Garden, North Shore Community Land Trust, Leeward Haleakala Watershed Restoration Partnership, Sierra Club, Hawaii Chapter, Wildlife Society – Hawaii Chapter, Kauai Public Land Trust, Maikai Kamakani O Kohala, Inc., Catholic Charities Hawaii, Hawaii Habitat for Humanity Association, Hawaii Family Forum, Hawaii Catholic Conference, Roman Catholic Church in the State of Hawaii, Malama Kahalawai, Inc., Partners In Care, Haleakala Ranch Company, Housing Hawaii, KAHEA, Waianae Community Outreach, Molokai Land Trust, Ulupalakua Ranch, Inc., E kupaku ka aina, and numerous concerned individuals opposed this measure. The Hawaii Housing Finance and Development Corporation, Department of Land and Natural Resources, County of Maui Department of Water Supply, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 742 Finance on H.B. No. 1744**

The purpose of this bill is to assist the State in dealing with the present fiscal crisis and reduce expected revenue shortfalls by suspending, for six years, the distribution of the transient accommodations tax to the counties.

The Department of Taxation testified in support of this bill. The Mayor of the County of Hawaii, Mayor of the County of Maui, six members of the Maui County Council, seven members of the Hawaii County Council, the entire membership of the Kauai County Council, Hawaii Council of Mayors, Hawaii State Association of Counties, Director of Finance for the County of Kauai, Department of Budget and Fiscal Services of the City and County of Honolulu, Department of Finance of the County of Maui, Hawaii Farm Bureau Federation, Hawaii Government Employees Association, Maui County Farm Bureau, Maui Hotel & Lodging Association, Hawaii Hotel & Lodging Association, Maui Economic Development Board, ILWU Local 142, Grand Wailea Resort, Maui Visitors Bureau, Maui Chamber of Commerce, and numerous individuals testified in opposition to this measure. The Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1744, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 743 Finance on H.B. No. 1748**

The purpose of this bill is to temporarily increase the insurance premium tax rates on insurers of life insurance contracts from 2.75 percent to 4.265 percent and ocean marine insurance contracts from 0.8775 percent to 4.265 percent. These increases are repealed on December 31, 2015.

The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors - Hawaii, American Council of Life Insurers, and Pacific Guardian Life testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting the new tax rates to encourage further discussion;
- (2) Clarifying that when the amendments contained in this bill are repealed, the existing provisions of section 431:7-202(b) and (c), Hawaii Revised Statutes, shall be reenacted in the form in which that section read prior to the effective date of this bill; and

- (3) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1748, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 744 Finance on H.B. No. 1829**

The purpose of this bill is to allow Hawaii to use federal funds from the American Recovery and Reinvestment Act at the earliest practicable time, by requiring the state Director of Finance to release state matching funds:

- (1) For county projects within 15 days of the receipt of federal funds; and
- (2) For state projects within 30 days of the receipt of federal funds.

The Hawaii Government Employees Association supported this bill. The Department of Budget and Finance and City and County of Honolulu Department of Budget and Fiscal Services commented on this measure.

Your Committee has amended this bill by replacing references to an economic stimulus plan with the name of the new Public Law, the American Recovery and Reinvestment Act. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1829, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 745 Finance on H.B. No. 611**

The purpose of this bill is to ensure the State's fiscal integrity and provide good state fiscal policy by establishing a sunrise and sunset review of certain tax exemptions, deductions, and credits to require legislative review of these programs.

The Hawaii Hotel and Lodging Association supported this bill. The National Fraternal Congress of America, County of Hawaii's Office of Housing and Community Development, Mutual Housing Association of Hawaii, Inc., The Chamber of Commerce of Hawaii, National Association of Insurance and Financial Advisors, Screen Actors Guild – Hawaii Branch, American Council of Life Insurers, Housing Hawaii, The Recording Academy's Pacific Northwest Chapter, Hawaii Pacific Health, and a concerned individual opposed this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, Hawaii Housing Finance and Development Corporation, Department of Human Services (DHS), Hawaiian Telecom, Hawaii Film & Entertainment Board, Hawaii BioEnergy, The Queen's Medical Center, Covanta Energy Group, Hawaii Association of REALTORS, Hawaii Government Employees Association, Tax Foundation of Hawaii, County of Maui's Office of Economic Development, and Honolulu Film Office submitted comments.

Your Committee has amended this bill by:

- (1) Penalizing erroneous claims for tax exemptions;
- (2) Deleting provisions requiring DHS to evaluate various tax credits or exemptions; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 611, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 746 Finance on H.B. No. 979**

The purpose of this bill is to protect Hawaii's fragile environment by redirecting certain special fund monies to:

- (1) Support invasive species control and mitigation; and
- (2) Promote reforestation and sediment run-off mitigation.

E Kupaku Ka'Aina testified in support of this bill. The Department of Land and Natural Resources testified in opposition to this measure. The Nature Conservancy of Hawaii commented on this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 747 Finance on H.B. No. 1175**

The purpose of this bill is to help generate general fund revenues by increasing the cigarette tax from 10 cents to 14 cents per cigarette, beginning July 1, 2009. This one-time tax increase replaces the current yearly tax increase which puts the per-cigarette tax at 13 cents by September 30, 2011.

The Department of Budget and Finance, American Heart Association of Hawaii, and Coalition for a Tobacco Free Hawaii supported this bill. The Department of Taxation, Tax Foundation of Hawaii, and American Cancer Society provided comments.

Upon further consideration, your Committee has amended this bill by increasing the tax from 14 cents to 20 cents.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1175, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 748 Finance on H.B. No. 1404**

The purpose of this bill is to make permanent the general excise tax exemptions provided in Act 239, Session Laws of Hawaii 2007, for amounts received by:

- (1) Submanagers of an association of apartment owners or of certain nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;
- (2) Operators of a hotel from the owner of the hotel or from a timeshare association for employee wage and benefit costs disbursed by the operator; and
- (3) Suboperators of a hotel from the owner of the hotel, timeshare association, or operator of the hotel, for employee wage and benefit costs disbursed by the suboperator.

The Outrigger Hotels, Marriott Vacation Club International, Inc., and Wyndham Worldwide supported this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1404, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 749 Finance on H.B. No. 1495**

The purpose of this bill is to generate additional general funds to ensure the delivery of critical services statewide by repealing the deduction of wagering losses for the purposes of the Hawaii state income tax.

The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1495, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 750 Finance on H.B. No. 1544**

The purpose of this bill is to ensure fairness in the payment of taxes by conforming state tax exemptions to personal exemption phase-out limitation thresholds, reduced by 25 percent, contained in the Internal Revenue Code of 1986, as amended.

The Department of Taxation and Hawaii Tax Foundation provided comments on this bill.

Your Committee has amended this bill by:

- (1) Providing that the threshold amounts contained in section 151(d)(3) of the Internal Revenue Code of 1986, as amended, that are used to determine the Hawaii phase-out amounts, shall be maintained at the amounts in place on July 1, 2008; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1544, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1544, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 751 Finance on H.B. No. 1598**

The purpose of this bill is to provide fairness to lessees who make capital improvements to leased property when the lease is terminated by imposing a tax on lessors for the value of these improvements upon termination of a lease.

Alexander & Baldwin, Inc., testified in opposition to this bill. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Association of REALTORS® submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 752 Finance on H.B. No. 1605**

The purpose of this bill is to explore the historical development and evolution of taxation in Hawaii to determine if the State's existing tax policies are relevant and effective in achieving Hawaii's current long-term economic and social goals and objectives by establishing the Hawaii Tax Review Initiative (HTRI).

Several concerned individuals supported this bill. The Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Requiring the funds appropriated in this bill to be matched, dollar-for-dollar, by private funds; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1605, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 753 Finance on H.B. No. 1735**

The purpose of this bill is to generate a one-time windfall in revenue by advancing the filing date of a general excise monthly tax return from the last day of the calendar month following the month in which the taxes accrue, to the 20<sup>th</sup> day of that month.

The Department of Taxation supported this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1735, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 754 Finance on H.B. No. 1739**

The purpose of this bill is to prohibit taxpayers from using grants or moneys from the federal government as the basis for claiming a state tax credit.

The County of Hawaii Office of Housing and Community Development; Pacific Light and Power, LLP; Kobayashi Development Group LLC; NovaSol; Oceanit; Pipeline Micro; Pacific LightNet; DRC; Cellular Bioengineering, Inc.; Archinoetics, LLC; Hyperspective Studios; Island Film Group; Claim Check; The Mutual Housing Association of Hawaii, Inc.; Puko'a Scientific; Accuity LLP; Hawaii Crop Improvement Association; Hawaii Science & Technology Council; Edutainment Resources, Inc.; Shinkawa Limited; Aloha Island, Inc.; Real-Time Genomics, LLC; OmniGreen Renewables LLC; Oceantronics Inc.; SEE/RESCUE Corporation; Pacific Housing Assistance Corporation; Ocean Engineering and Energy Systems, Inc.; Natural Power Concepts; Tradewinds Forest Products; Cardax Pharmaceuticals, Inc.; PacificCap Group; and several individuals opposed this bill. The Hawaii Housing Finance and Development Corporation, Department of Taxation, Hawaii Association of REALTORS, Tax Foundation of Hawaii, and several individuals offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1739, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 755 Finance on H.B. No. 588**

The purpose of this bill is to specify that in a county with a population of at least 500,000 people, a county board may issue revenue bonds in its own name if so authorized under the county charter.

The City and County of Honolulu Board of Water Supply testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 588, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 756 Finance on H.B. No. 1043**

The purpose of this bill is to reduce the period over which state low-income housing tax credits are taken from ten years to five years.

The low-income housing tax credit program promotes the development of low-income rental housing. Investors purchase the credits from developers of such housing, who then apply the realization towards the development cost of the housing.

At present, there is a limited market for the state tax credits because of the problems in the capital market and competition with the state high technology tax credits. Thus, developers are not able to generate as much money from the sale of the credits. This situation has hindered the development of low-income rental housing in the State.

By accelerating the period in which the credit may be claimed, this bill attempts to increase the value of the credits to investors. Your Committee finds that this is a worthwhile goal.

Testimony in support of this bill was received from representatives of the Department of Taxation, Hawaii Housing Finance and Development Corporation (HHFDC), Land Use Research Foundation, Hawaii Association of Realtors, Pacific Housing Assistance Corporation, Pacific Resource Partnership, Central Pacific Bank, and Stanford Carr Development, LLC. The Tax Foundation of Hawaii submitted comments.

Representatives of the Hawaii Association of Realtors and Stanford Carr Development also mentioned that the State has the opportunity to monetize a portion of its federal low-income housing tax credit allocation. The federal American Recovery and Reinvestment Act of 2009 authorizes each state to elect to take a portion of the allocation as a grant. The State then may make subawards of the grant to developers of qualified low-income rental housing.

Your Committee finds that the State should take advantage of the opportunity. Monetizing the credit allows the State to use the full dollar value of the credit in cash. The cash may be used as grants or loans to leverage other credits or financial assistance for the development of low-income rental housing.

Accordingly, your Committee has amended this bill by adding a new part II based on language solicited by your Committee from HHFDC. Basically, part II authorizes the State to elect to receive the maximum low-income housing grant amount permitted under the American Recovery and Reinvestment Act of 2009. Part II also designates HHFDC to serve as the "state housing credit agency" and make subawards for the purpose authorized under the Act. Another provision makes a qualified low-income building that has received a subaward also eligible for the state low-income housing tax credit.

Part II also includes an appropriation section as a contingency should one be necessary. Since federal regulations have not yet been promulgated, it is not known whether the grant will be kept in a federal account, with the State allowed to draw down, or transmitted in cash to the State. If the latter occurs, part II requires the grant to be deposited into the Housing Finance Revolving Fund and appropriates the full amount for making subawards for low-income housing projects.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 757 Finance on H.B. No. 1153**

The purpose of this bill is to amend Hawaii's income tax law to conform with changes to the Internal Revenue Code made by Congress in 2008.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

In 2008, Congress enacted several significant tax measures to stimulate the economy and provide taxpayer relief. Because the cost of conforming state income tax law to these new federal laws is significant in terms of reduced tax revenues, this bill does not conform state income tax law to changes that historically the State has not conformed its laws and those changes for which other means of taxpayer relief exist.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1153, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1153, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 758 Finance on H.B. No. 1504**

The purpose of this bill is to establish the Hawaii Health Authority (Authority) to develop a comprehensive plan to provide universal health care in Hawaii.

Healthy Mothers, Healthy Babies, Hawaii Government Employees Association, ILWU Local 142, Hawaii Primary Care Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Americans for Democratic Action Hawaii, Kokuia Kalihi Valley, and several concerned individuals supported this bill. The Department of Budget and Finance opposed this bill. The Hawaii Medical Service Association submitted comments.

Your Committee notes that the purpose of the Authority is to comprehensively reform Hawaii's health care system, and is not limited merely to health insurance.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1504, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 759 Finance on H.B. No. 1583**

The purpose of this bill is to ensure fiscal balance by:

- (1) Reducing the business tax credits allowed under Chapters 235, 239, 241, and 431, Hawaii Revised Statutes (HRS), in phases over three years starting January 1, 2009;
- (2) Exempting the following credits from the reduction:
  - (a) Section 235-55, HRS (relating to a tax credit for resident taxpayers);
  - (b) Section 235-55.6, HRS (relating to expenses for household and dependent care services necessary for gainful employment);
  - (c) Section 235-55.7, HRS (relating to an income tax credit for low-income household renters);
  - (d) Section 235-55.85, HRS (relating to the refundable food/excise tax credit);
  - (e) Section 235-110.7, HRS (relating to the capital goods excise tax credit);
  - (f) Section 239-6.5, HRS (relating to the tax credit for a lifeline telephone service subsidy); and
  - (g) Any credit against any tax required by the Constitution or the laws of the United States;

and
- (3) Suspending the carryover of business tax credits allowed under Chapters 235, 239, 241, and 431, HRS, between January 1, 2009, and January 1, 2012.

The Hawaii Government Employees Association and several concerned individuals testified in support of this bill. International Alliance of Theatrical Stage Employees Local 665, Hawaii Association of REALTORS, Hawaii Farm Bureau Federation, the Hawaii Science & Technology Council, Hawaii Crop Improvement Association, Screen Actors Guild Hawaii Branch, Makai Motion Pictures, Pacific Aquaculture and Biotechnology LLC, Claim Check, Superb Development & Service Corp., Cellular Bioengineering, Inc., Steiner & Associates, Edutainment Resources, Inc., Ocean Engineering and Energy Systems, Inc., Pipeline Micro, Pukoa Scientific, Shinkawa Limited, Hawaii Media, Inc., Aloha Island, Inc., Charles Michael Brotman Music LLC, MIX808, Island Planet One Productions LLC, DataHouse Consulting, Inc., Archinoetics, LLC, Pacific LightNet, Sopogy Inc., DRC, SEE/RESCUE Corporation, Lauwae Cazimero, Cardax Pharmaceuticals, Inc., Oceantronics Inc., Monsanto Hawaii, Hyperspective Studios, Inc., Real-Time Genomics, LLC, Island Film, Pacific Light and Power, LLP, Natural Power Concepts, OmniGreen Renewables LLC, NovaSol, Kobayashi Development Group LLC, and numerous concerned individuals opposed this measure. The Department of Taxation, Department of Business, Economic Development, and Tourism, Department of Agriculture, Film Commissioner of the City and County of Honolulu, Office of Economic Development of the County of Maui, Tax Foundation of Hawaii, Hawaii Film & Entertainment Board, Hawaii Teamsters and Allied Workers, Local 996, Land Use Research Foundation of Hawaii,



Hawaii Farm Bureau Federation, Carbon Diversion, Inc., Sennet Capital LLC, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and numerous concerned individuals provided comments.

Upon careful consideration, your Committee has amended this bill by deleting its substance and inserting the substance of House Bill No. 1588 and making additional amendments. As amended, this bill:

- (1) Also reduces claims to business tax credits in Chapters 235, 239, 241, and 431, HRS, but only for two years, from January 1, 2009, to January 1, 2011;
- (2) Adds section 235-110.7, HRS (relating to the capital goods excise tax credit), to the business tax credits to be reduced; and
- (3) Adds the following exclusions from the tax credit reduction:
  - (a) Section 235-15, HRS (relating to a tax credit for child passenger restraint systems);
  - (b) Section 235-17, HRS (relating to a tax credit for motion picture, digital media, and film production);
  - (c) Section 235-110.3, HRS (relating to a tax credit for ethanol facilities);
  - (d) Section 235-110.6, HRS (relating to a tax credit for commercial fishers' fuel);
  - (e) Section 235-110.8, HRS (relating to a credit for low-income housing); and
  - (f) Section 235-110.91, HRS (relating to a credit for research activities);
- (4) Suspends the carryover of business tax credits between January 1, 2009, and January 1, 2011;
- (5) Caps the amount of tax credits that may be claimed during the two-year period at 75 percent of the taxpayer's tax liability; and
- (6) Sunsets on January 1, 2015.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1583, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 760 Finance on H.B. No. 1731**

The purpose of this bill is to generate additional general funds to ensure the delivery of services statewide by reallocating the distribution of moneys from the Hawaii Tobacco Settlement Special Fund (Tobacco Fund), including depositing a portion of those moneys into the general fund.

The Department of Budget and Finance, the Hawaii Government Employees Association, and several concerned individuals testified in support of this bill. Your Committee received testimony in opposition to this bill from hundreds of individuals and organizations. The Department of Health (DOH) and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by reallocating the distribution of moneys from the Tobacco Fund as follows:

- (1) 24.5 percent to the Emergency and Budget Reserve Fund;
- (2) 25 percent to the DOH for the Children's Health Insurance Program and for health promotion and disease prevention programs;
- (3) 2 percent to the Hawaii Tobacco Prevention and Control Trust Fund;
- (4) 23.5 percent to the University Revenue-Undertakings Fund; and
- (5) 25 percent to the general fund.

Your Committee also amended this bill by:

- (1) Changing the effective date to July 1, 2009;
- (2) Changing the sunset date to June 30, 2011; and
- (3) Making technical, nonsubstantive amendments for style, clarity, consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1731, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 761 Finance on H.B. No. 1749**

The purpose of this bill is to impose, from July 1, 2009, to June 30, 2015, the insurance premium tax on mutual benefit societies, fraternal benefit societies, and health maintenance organizations. This bill also establishes a medical workforce promotion, health workforce education, or indigent health care program tax credit that may be claimed against the tax.

The Chamber of Commerce of Hawaii, Kaiser Permanente, Thrivent Financial for Lutherans, Woodmen of the World, Foresters, Knights of Columbus, and a concerned individual testified in opposition to this bill. The Tax Foundation of Hawaii, National Fraternal Congress of America, Hawaii Medical Service Association, and several concerned individuals provided comments.

This bill has been introduced as one among many alternatives intended to generate revenues to address the state budget deficit. Because of the downturn of the worldwide economy, the State of Hawaii will not receive the amount of general fund revenues that was previously projected by the Council on Revenues. For this current fiscal year and the upcoming fiscal biennium, the shortfall is anticipated to exceed \$1,000,000,000.

Your Committee realizes that any new tax imposed on formerly exempt entities may have negative effects on the community. Nevertheless, your Committee finds that the State's budgetary situation is so dire that the revenue gain from this bill may be needed. Consequently, your Committee is keeping this bill alive as an option for the generation of additional general fund revenues.

Your Committee has amended this bill as follows:

- (1) The imposition of the insurance premium tax on fraternal benefit societies is deleted. Your Committee finds that the testimony supporting deletion was persuasive.
- (2) The insurance premium tax is imposed on a gradually escalating rate over a four-year period rather than at the full 4.265 per cent rate on July 1, 2009. Your Committee finds that imposing the tax at the full rate immediately would be a too sudden burden on mutual benefit societies and health maintenance organizations.
- (3) A new section 8 is added requiring the insurance commissioner to consider whether the imposition of the insurance premium tax on mutual benefit societies and health maintenance organizations may cause their current managed care plan rates to become inadequate. If the insurance commissioner makes such a determination, the insurance commissioner is required to determine whether the rates should be adjusted. Your Committee recognizes that the insurance premium tax will be an added expense for formerly exempt mutual benefit societies and health maintenance organizations. Your Committee finds that fairness requires the insurance commissioner to consider whether the added expense should be reflected in a rate adjustment.
- (4) The effective date is changed to July 1, 2020, and the sunset date is changed to June 30, 2026.

Your Committee notes that this bill establishes a tax credit for cash expenditures by mutual benefit societies and health maintenance organizations for certain publicly beneficial programs. At present, the Hawaii Medical Service Association and Kaiser Permanente donate much in money and services to community programs. Your Committee intends that the credit encourage both organizations to continue their generous contributions to the community.

Finally, your Committee notes the testimony of the Hawaii Medical Service Association requesting the inclusion within the scope of the bill of "all entities administering health plans in the state". Your Committee understands that the testimony refers to organizations that self-insure their health benefits. Although your Committee has not included the provision in this bill, your Committee finds that the matter is worthy of further consideration in the future.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1749, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 762 Finance on H.B. No. 1184**

The purpose of this bill is to provide temporary exemptions from current statutes relating to procurement, rulemaking, and civil service employment to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the federal American Recovery and Reinvestment Act of 2009 (ARRA).

The Governor, Department of Commerce and Consumer Affairs (DCCA), Department of Human Resources Development, Attorney General, Department of Labor and Industrial Relations, Department of Accounting and General Services, Department of Budget and Finance, Department of Human Services (DHS), and a concerned individual supported this bill. The Department of Taxation, State Procurement Office, and Subcontractors Association of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Clarifying in the purpose section the bill's compliance with ARRA's accountability and transparency provisions;
- (2) Clarifying that compliance with existing procurement laws is required unless federal funds would lapse under ARRA's timeframes;
- (3) Requiring the Governor, Mayor, or other Chief Executive, as appropriate, to give prior written notice to the Speaker of the House of Representatives, the President of the Senate and the general public (via the state procurement office website) describing the use of funds and the basis for its decision to use expedited procurement;
- (4) Providing that procurement under the expedited process shall be made through the electronic procurement system;
- (5) Inserting a definition of "best value" for purposes of bid selection;
- (6) Changing the persons who sit on the selection committee from any persons to government employees;
- (7) Providing that a contract is legally formed upon submission of an offer and acceptance by the government, and no further written agreement is required;
- (8) Revising the protest procedure so that a protest is first made to the chief procurement officer and appeal to a DCCA hearing officer is allowed;

- (9) Deleting the exemption from the requirement that a contractor submit a certificate of compliance with the prevailing wage law;
- (10) Deleting the appropriation of Temporary Assistance to Needy Family funds under ARRA to DHS;
- (11) Changing the repeal date to December 31, 2012; and
- (12) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1184, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1184, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 763 Finance on H.B. No. 1584**

The purpose of this bill is to protect the State's financial interests by reducing the rate of interest on the overpayment of taxes from two-thirds of one percent for each month or fraction thereof, to one-third of one percent for each month or fraction thereof.

The Department of Taxation and the Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 764 Finance on H.B. No. 1600**

The purpose of this bill is to exempt from the general excise tax, amounts received by a common paymaster to pay employees of two or more related businesses, on behalf of the related businesses, where the applicable relationship is defined under Section 267(b) of the Internal Revenue Code.

The Pagoda Hotel and Floating Restaurant and two concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Inserting the provisions of the bill in section 237-24.7, Hawaii Revised Statutes (HRS), rather than in section 237-23.5, HRS; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1600, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 765 Finance on H.B. No. 1747**

The purpose of this bill is to assist Hawaii's lower income residents while maintaining the integrity of Hawaii's general fund revenues by:

- (1) Eliminating the income tax for all filing categories on taxable incomes of \$40,000 or less; and
- (2) Increasing the income tax for all filing categories on taxable incomes of \$750,000 or more.

The Department of Taxation and Hawaii Tax Foundation provided comments on this bill.

At a February 26, 2009, public hearing, your Committee was informed that passage of this bill would result in a net revenue gain of \$49,000,000. Recognizing the need to be fiscally responsible and prudent in creating a better, stronger, and more prosperous Hawaii, your Committee requested more information on the economic impacts of this measure. Since that time, figures have been recalculated and your Committee has learned that the fiscal impact of this bill would actually result in a revenue loss of \$131,000,000.

Your Committee finds that if this bill, as originally proposed, were to move forward, the impacts on those with incomes near the \$40,000 threshold could be dramatic. For example, an individual earning \$39,999 per year who receives a \$1 raise in pay would go from paying no taxes to paying over \$1,300 in taxes.

Guided by fiscal responsibility faced with enormous financial challenges, your Committee recognizes the importance of a sound tax policy to help our economy. Upon further reflection, your Committee finds that this measure must be amended to be more equitable to all taxpayers while still providing some economic relief to those with lower incomes.

Accordingly, your Committee has amended this measure by:

- (1) Reinstating the tax brackets and corresponding tax rates for all filing categories with incomes below \$40,000;
- (2) Eliminating the tax bracket and 15 percent tax rate increase for all filing categories with incomes of \$750,000 or more;

- (3) Inserting new tax brackets and new tax rates of 9, 10, 11, and 12 percent for joint filers with incomes in excess of \$250,000;
- (4) Inserting new tax brackets and new tax rates of 9, 10, 11, and 12 percent for head of household filers with incomes in excess of \$187,500;
- (5) Inserting new tax brackets and new tax rates of 9, 10, 11, and 12 percent for single filers with incomes in excess of \$125,000;
- (6) Increasing standard deductions for all filers by 10 percent;
- (7) Increasing the personal exemption by 10 percent;
- (8) Changing the effective date to specify that:
  - (A) The tax bracket and tax rate changes will be applicable to taxable years beginning after December 31, 2008; and
  - (B) The standard deduction increases are applicable to taxable years beginning after December 31, 2010;
 and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1747, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 766 Finance on H.B. No. 1171**

The purpose of this bill is to extend until the forty-fifth day following adjournment of the Regular Session of the 2010 Legislature the sunset date of Act 2, Second Special Session Laws of Hawaii 2007 (Act 2), which sets forth the conditions under which a large capacity ferry vessel may operate notwithstanding certain environmental impact statutes.

The Department of Transportation (DOT), the Attorney General, Hawaii Superferry, Inc., and Pahio Development, Inc., testified in support of this bill. Maui Tomorrow Foundation and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Blanking out the sunset date of Act 2;
- (2) Clarifying Act 2 to state that the authority to operate a large capacity ferry vessel under Act 2 ceases if the final environmental impact statement by the Department of Transportation fails to be accepted by the Office of Environmental Quality Control before the sunset date of Act 2;
- (3) Terminating the authority to operate a large capacity ferry vessel granted in section 3 of Act 2 unless DOT and the operator of the large capacity ferry vessel enter into an agreement to finance the principal and debt service on the general obligation bonds issued to fund improvements for the large capacity ferry vessel service by 45 days after adjournment sine die of an unspecified regular session; and
- (4) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1171, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 767 Human Services on H.R. No. 54**

The purpose of this resolution is to educate the public about sexual violence and to encourage the prevention of sexual assault, the improved treatment of its survivors, and the prosecution of its perpetrators by recognizing the month of April as "Sexual Assault Awareness and Prevention Month."

A concerned individual testified in support of this resolution.

Your Committee acknowledges that sexual assault affects not only women, but also men and children, of all racial, religious, age, ethnic, and socioeconomic groups in the United States. It has been shown that prevention education programs have the potential to reduce the prevalence of sexual assault in their respective communities. But, the first step in addressing this problem is raising awareness and educating the public about the realities of sexual assault and the ongoing strategies to end it.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 54 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 768 Human Services on H.C.R. No. 68**

The purpose of this concurrent resolution is to educate the public about sexual violence and to encourage the prevention of sexual assault, the improved treatment of its survivors, and the prosecution of its perpetrators by recognizing the month of April as "Sexual Assault Awareness and Prevention Month."

A concerned individual testified in support of this concurrent resolution.

Your Committee acknowledges that sexual assault affects not only women, but also men and children, of all racial, religious, age, ethnic, and socioeconomic groups in the United States. It has been shown that prevention education programs have the potential to reduce the prevalence of sexual assault in their respective communities. But, the first step in addressing this problem is raising awareness and educating the public about the realities of sexual assault and the ongoing strategies to end it.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 769 Human Services on H.C.R. No. 16**

The purpose of this concurrent resolution is to encourage the State of Hawaii, the Counties of Hawaii, and local financial institutions to work in a mutually beneficial endeavor for the stimulation of personal savings accounts and the development of credit among the unbanked and underbanked population. This concurrent resolution also encourages the formulation of an inventory of banking services available to those most in need of them.

The Department of Commerce and Consumer Affairs testified in support of this resolution.

Your Committee emphasizes that those most likely to be targeted by this concurrent resolution include low-income individuals and families, the less educated, female-headed households, young adults, families living in rural communities, and immigrants. Although this list is far from complete, these are the most vulnerable to being financially underserved.

Your Committee, in an effort to better define the financially underserved category, has amended this concurrent resolution by including the elderly and senior citizens as one of the groups to be among the most common reported to be classified as unbanked.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 16, H.D. 1.

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

**SCRep. 770 Judiciary on H.B. No. 355**

The purpose of this bill is to:

- (1) Limit the late fee for delinquent condominium common expense assessments to 20 percent of the monthly maintenance fee in effect at the time the delinquency occurs;
- (2) Stipulate that the late fee may be assessed monthly and charged for every month any past due common expense assessment remains unpaid; and
- (3) Require the association to give a unit owner written notice at least ten business days before taking any action that would incur attorney's fees.

The Mililani Town Association and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 355, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 771 Housing/Water, Land, & Ocean Resources on H.B. No. 1443**

The purpose of this bill is to allow owner-occupants of a home to operate a small business out of their home as long as it does not have serious negative impacts on the surrounding residential area.

A concerned individual testified in support of this bill. The Maui Chamber of Commerce supported the intent of this measure. Several concerned individuals opposed this bill. The Department of Planning and Permitting of the City and County of Honolulu provided comments.

Your Committees find that bed and breakfasts and other vacation rentals are a controversial presence in residential areas. However, this bill is not intended to address the issue of bed and breakfasts. Accordingly, your Committees have amended this bill by placing outside the scope of the coverage of this bill, bed and breakfasts, transient vacation rentals, and other tourism accommodation businesses.

In addition, your Committees have amended this bill by:

- (1) Inserting a provision clarifying that owners of home occupations remain subject to the noise permit requirements of the Department of Health;
- (2) Placing outside the scope of the coverage of this bill trade activities, including carpentry, and halfway houses;
- (3) Providing that the counties may regulate activities that violate county ordinances relating to the parking of commercial vehicles;

- (4) Providing that if this Act conflicts with county ordinances for halfway houses, the county ordinance shall prevail;
- (5) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1443, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1443, H.D. 2.

Signed by all members of the Committee except Representatives Har, Herkes, C. Lee, Luke, Morita and Sagum.

**SCRep. 772            Judiciary on H.B. No. 951**

The purpose of this bill is to codify common law in Hawaii to limit the liability of owners of unimproved land for damage, injury, or harm to person or properties outside the boundaries of the land caused by any naturally occurring land failure originating on the unimproved land.

The Department of the Attorney General, the Building Industry Association of Hawaii, the Land Use Research Foundation of Hawaii, and Kamehameha Schools testified in support of this bill. The Department of Land and Natural Resources and Office of Hawaiian Affairs supported the intent of this measure. The Hawaii Association for Justice, Niu Valley Community Association, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and several concerned individuals opposed this bill. A concerned individual submitted comments.

Your Committee understands that the issue of landowner liability, particularly with respect to adjacent ridgetop and downslope properties, remains difficult and complex. Occasionally, tragic incidents do result from naturally occurring conditions that would be difficult to foresee.

Your Committee has amended this measure by:

- (1) Clarifying that the landowner remains liable for negligence and intentional torts arising from activities on unimproved land that result in harm outside the boundaries of the land;
- (2) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 951, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 951, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.  
(Representative Thielen voted no.)

**SCRep. 773            Finance on H.B. No. 556**

The purpose of this bill is to provide for disbursement of burial grant funds to pay for funeral and burial services, and for transportation of remains, for certain Filipino veterans (New Filipino Scout) of World War II.

The Office of Veterans' Services opposed this bill.

To encourage further discussion, your Committee has amended this measure by changing:

- (1) The limit on burial grant funds that may be disbursed on behalf of a New Filipino Scout from \$2,500 per person to an unspecified amount; and
- (2) Its effective date to July 1, 2020.

Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 556, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 556, H.D. 2.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 774            Finance on H.B. No. 560**

The purpose of this bill is to support veterans of the armed services in Hawaii by establishing the Veterans' Services Special Fund, funded by an unspecified Veterans' Services Tax on liquor.

The Office of Veterans' Services supported this bill. The Department of Budget and Finance, Anheuser Busch Companies, and Wine Institute opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 560, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 560, H.D. 2.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 775 Finance on H.B. No. 610**

The purpose of this bill is to allow Hawaii to further develop the high technology sector of the economy by establishing a Hawaii State Science and Technology Task Force (Task Force) within the High Technology Development Corporation (HTDC) to:

- (1) Evaluate the effectiveness of past high technology legislation;
- (2) Develop a Hawaii State Science and Technology Plan (Plan) including goals, a plan to reach the goals, and a timeline for implementation and completion;
- (3) Create guidelines for future science and high technology legislation; and
- (4) Recommend science and high technology legislation to meet Plan goals.

This measure also appropriates an unspecified amount of funds for the Task Force.

The Department of Education testified in support of this bill. The Hawaii Science & Technology Council, Cellular Bioengineering, Inc., and Cardax Pharmaceuticals, Inc., testified in opposition to this measure. The Statewide EPSCoR Committee, University of Hawaii, Department of Business, Economic Development, and Tourism, and HTDC provided comments on this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 610, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 610, H.D. 2.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 776 Finance on H.B. No. 658**

The purpose of this bill is to support military veterans by appropriating general fund revenues to support an additional full-time veterans' counselor position for the Maui Office of Veterans' Services.

The Office of Veterans' Services supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 658, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 658, H.D. 1.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 777 Finance on H.B. No. 988**

The purpose of this bill is to further the State's efforts toward self-sufficiency by amending the Hawaii Procurement Code to make it more likely that agricultural products procured by government agencies will be products grown within the state. Among other things, this bill:

- (1) Removes exemptions for certain agricultural products from the Hawaii Procurement Code that were established under the Hawaii Administrative Rules;
- (2) Allows persons submitting bids or proposals to self-certify that their product meets minimum specifications to receive a preference as a Hawaii product;
- (3) Provides for the voiding of a contract and referral of an offeror for debarment or suspension proceedings for failure to comply with Hawaii product preference requirements;
- (4) Amends the definition of "Hawaii products" to be those in which the cost of the product attributable to labor, production, or other expenses arising in the state, exceeds 50, as opposed to 25 percent of the product's cost;
- (5) Consolidates class II and III Hawaii products under the category of class I products and defines class I as products where the value of Hawaii input into the product exceeds 50 percent of the total product cost;
- (6) Defines class II products as any agricultural, aquacultural, horticultural, silvicultural, floricultural, or livestock product raised, grown, or harvested in the state; and
- (7) Provides that the preference to be applied to a bid or proposal for class I Hawaii products is a ten percent decrease in the bid or proposal, and a 15 percent decrease for class II Hawaii products.

The Department of Agriculture and Hawaii Farm Bureau Federation supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 988, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 988, H.D. 2.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 778 Finance on H.B. No. 1207**

The purpose of this bill is to update and improve services provided by the Hawaii Community-Based Economic Development Program (CBED), by, among other things:

- (1) Allowing CBED's revolving fund to access funding other than from general funds;
- (2) Allowing CBED to make smaller loans due to the reduced funds available and reducing the maximum interest rate of those loans from ten percent to six percent; and
- (3) Clarifying the definition of "community interest" to mean a group of people who may not live in the same area, but are bound together through common economic interest.

The Office of Hawaiian Affairs, Department of Business, Economic Development, and Tourism, Kona Pacific Farmers Cooperative, Hawaii Alliance for Nonprofit Organizations, and Malu'ohai Residents Association supported this bill.

Your Committee has amended this bill by:

- (1) Making conforming amendments to section 210D-9, HRS, adjusting the loan amount from \$500,000 to \$250,000; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1207, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

**SCRep. 779 Finance on H.B. No. 1405**

The purpose of this bill is to ease the fiscal crisis currently facing the State and maximize the State's ability to capture taxes owed by out-of-state businesses by specifying the business activities that would constitute a sufficient connection with Hawaii to allow the State to impose the general excise tax on those activities.

The Department of Taxation and a concerned individual testified in support of this bill. The Council on State Taxation testified in opposition to this measure. The Tax Foundation of Hawaii submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Further clarifying the definition of "engaging in business";
- (2) Stipulating that "engaging" includes the sale of tangible personal property by a person soliciting business through an independent contractor or other representative if the cumulative gross receipts from sales by the person to customers in the state who are referred to the person is at least \$10,000 in the 12-month period ending on the last day of the most recent calendar quarter before the calendar quarter in which the sale is made, rather than in excess of \$10,000 during the preceding four quarterly periods ending on the last day of February, May, August, and November;
- (3) Specifying that the presumption may be rebutted by proof that the resident with whom the person has an agreement did not engage in any solicitation in the state on behalf of the person that would satisfy the nexus requirement of the United States Constitution during 12-month period in question;
- (4) Stipulating that nothing in this section shall be construed to narrow the scope of the terms, "person," "purchasing agent," or "representative" as defined in section 237-1, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1405, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 780 Finance on H.B. No. 1429**



The purpose of this bill is to maintain the positive connections between local National Guard soldiers and at-risk youth by appropriating Temporary Assistance for Needy Families funds to continue the operation of the Hawaii National Guard's About Face family of programs.

The Department of Defense and Department of Human Services supported this bill. The Office of Youth Services provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1429, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1429, H.D. 2.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 781 Finance on H.B. No. 1831**

The purpose of this bill is to facilitate the relationship between the State and the military in Hawaii by establishing a Military Affairs Liaison Special Fund to support a nonprofit entity to:

- (1) Serve as a liaison in matters relating to the military; and
- (2) Provide oversight for the military's presence in Hawaii and the impact defense spending has on Hawaii's economy.

The Department of Defense, The Chamber of Commerce of Hawaii, and Outrigger Hotels supported this bill. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1831, H.D. 2.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 782 Finance on H.B. No. 333**

The purpose of this bill is to help low-income working families build assets by:

- (1) Establishing a refundable state earned income tax credit (EITC) that is a certain percentage of the federal EITC amount they are entitled to, to be initially funded with federal Temporary Assistance for Needy Families funds; and
- (2) Restricting the interest charged by tax preparers to clients who claim the EITC.

The Hawaii Alliance for Community-Based Economic Development and Aloha United Way testified in support of this bill. The Department of Taxation, Department of Human Services, and Tax Foundation of Hawaii provided comments.

Your Committee finds that by establishing the state EITC rate at a certain percentage of the federal EITC amount, the state EITC amount would be inadvertently increased if the federal EITC amount were to be raised. Accordingly, your Committee has amended this bill by stating that the reference to section 32 of the Internal Revenue Code is the section in effect on December 31, 2008.

This bill has also been amended by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 333, H.D. 2.

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

**SCRep. 783 Finance on H.B. No. 703**

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating state funds to maximize the availability of the federal disproportionate share hospital allowance. Specifically, this bill appropriates \$10,181,909 for fiscal year 2009-2010 as the State's share to maximize the availability of the federal disproportionate share hospital allowance to the State.

The Hawaii Government Employees Association, The Chamber of Commerce of Hawaii, AARP, Healthcare Association of Hawaii, Hawaii Medical Service Association, The Queen's Medical Center, and Kaiser Permanente Hawaii testified in support of this bill. The Department of Human Services opposed this measure.

Your Committee has amended this bill by:

- (1) Blanking out the amount of the appropriation; and

- (2) Changing its effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 703, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 703, H.D. 1.

Signed by all members of the Committee.

**SCRep. 784 Finance on H.B. No. 704**

The purpose of this measure is to ensure that agencies providing home care services to consumers meet minimum standards relating to the health, safety, and welfare of consumers by requiring the Department of Health (DOH) to temporarily license home care agencies until June 30, 2014.

The Healthcare Association of Hawaii, AARP Hawaii, ILWU Local 142, and Policy Advisory Board for Elder Affairs supported this bill. The Department of Human Services and DOH opposed this bill.

Your Committee has amended this bill by:

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

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

Signed by all members of the Committee.

**SCRep. 785 Finance on H.B. No. 739**

The purpose of this bill is to:

- (1) Direct the allocation of Temporary Assistance for Needy Families (TANF) funds for fiscal years 2009-2010 and 2010-2011 to provide for:
- (A) The provision of monthly cash benefits;
  - (B) Employment training programs;
  - (C) Teenage pregnancy education programs;
  - (D) The purchase of Child Welfare Service contracts; and
  - (E) Administrative and information systems costs associated with the TANF program; and
- (2) Transfer a portion of TANF funds to Social Services Block Grant programs and Child Care Development Fund.

The Office of Youth Services, Goodwill Industries of Hawaii, Inc., Child & Family Service, and a concerned individual supported this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 739, H.D. 2.

Signed by all members of the Committee.

**SCRep. 786 Finance on H.B. No. 1064**

The purpose of this bill is to protect the health, safety, and welfare of the people of Hawaii by making an emergency appropriation of \$60,000,000 from the Emergency and Budget Reserve Fund to replace general funds appropriated for the health care payments program of the Department of Human Services (DHS) to address the budget shortfall in fiscal year 2008-2009.

The Department of Budget and Finance testified in support of this bill. The National Association of Social Workers, Hawaii Chapter, testified in opposition to this measure. DHS submitted comments.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 227 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1064, H.D. 1.

Signed by all members of the Committee.

**SCRep. 787 Finance on H.B. No. 1284**

The purpose of this bill is to ensure that the most needy individuals have access to medical care by appropriating funds to increase the payment for physician services for Medicaid-eligible persons, including fee-for-service and QUEST-eligible individuals.

The Department of Human Services opposed this bill. The Occupational Therapy Association of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting the appropriations to encourage further discussion;
- (2) Deleting references to the percentage of the Medicare fee schedule that the increased payments are intended to cover;
- (3) Changing the effective date to July 1, 2020; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1284, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1284, H.D. 1.

Signed by all members of the Committee.

**SCRep. 788 Finance on H.B. No. 1354**

The purpose of this bill is to ensure that all children have the opportunity to grow into successful, well-adjusted adults by appropriating general funds and Temporary Assistance for Needy Families funds for the Healthy Start and Enhanced Healthy Start programs to address budgetary shortfalls and implement recommended program improvements.

Parents and Children Together, Maui Family Support Services, Inc., Child & Family Service, Good Beginnings Alliance, and many concerned individuals supported this bill. The Department of Human Services opposed this measure.

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

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1354, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1354, H.D. 2.

Signed by all members of the Committee.

**SCRep. 789 Finance on H.B. No. 1364**

The purpose of this bill is to promote greater transparency in the budgetary operations of state government by:

- (1) Requiring the Governor or Director of Finance to submit a report to the Legislature for each restriction of an appropriation authorized by the Legislature; and
- (2) Establishing that failure by the Governor or Director of Finance to submit the report required for any particular restriction shall result in the immediate release of funds for the affected appropriation.

The Office of the Governor opposed this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the requirement for the immediate release of the restricted funds if the Governor or Director of Finance fails to submit the required restricted funding report; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1364, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 790 Finance on H.B. No. 28**

The purpose of this bill is to prevent commercial exploitation of human body remains by:

- (1) Prohibiting the sale of dead human bodies, including human bodies or remains that have been plastinated through the use of polymers; and
- (2) Increasing the monetary penalty for misuse of a dead human body from \$1,000 to \$5,000.

The Laogai Research Foundation and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 28, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 791 Finance on H.B. No. 29**

The purpose of this bill is to ensure the ethical treatment of human body remains by requiring a permit from the Department of Health (DOH) to commercially display dead human bodies.

The Laogai Research Foundation and several concerned individuals supported this bill. A concerned individual opposed this measure. DOH submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 29, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 792 Finance on H.B. No. 343**

The purpose of this bill is to provide relief to medically underserved areas of the state by increasing the number of primary health care providers in rural areas of Hawaii by appropriating funds to:

- (1) Develop a statewide Rural Primary Health Care Training Program in each county of the State, beginning with Hawaii County; and
- (2) Support and expand the University of Hawaii John A. Burns School of Medicine's (JABSOM) Family Medicine Residency Program to provide rural primary health care services.

The Mayor of the County of Hawaii, Department of Family Medicine and Community Health of JABSOM, Hawai'i Primary Care Association, Hawaii Medical Service Association, AARP Hawaii, and two concerned individuals testified in support of this bill. JABSOM provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 343, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 793 Finance on H.B. No. 811**

The purpose of this bill is to ease Hawaii's registered nurse licensure requirements for graduates of foreign nursing schools (foreign graduates) by requiring the Board of Nursing (Board) to have foreign graduates applying for licensure in Hawaii arrange for the applicant's school to send to the Board:

- (1) The "Breakdown of Educational Program for International Nursing Programs" form; and
- (2) A certified school transcript for the applicant, translated to English, if necessary.

This bill also removes the requirement that a Foreign Graduate's transcripts be evaluated by professional evaluators designated by the Board.

The Representative of the 42<sup>nd</sup> District, National Federation of Filipino American Associations Region XII, the Filipino American Citizens League, the Oahu Filipino Community Council, the Filipino Coalition for Solidarity, the United Filipino Council of Hawaii, Nursing Advocates & Mentors, Inc., The Philippine Nurses Association Hawaii, and several concerned individuals supported this bill. The Board, the University of Hawaii at Manoa School of Nursing and Dental Hygiene, and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 811, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 794 Finance on H.B. No. 814**

The purpose of this bill is to ensure the proficiency of health care providers by specifying:

- (1) The renewal period for recertification of nurse aides; and

- (2) The number of continuing education hours required for recertification.

The Hawaii Coalition of Caregivers, Alliance of Residential Care Administrators, National Federation of Filipino American Associations, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Filipino Coalition for Solidarity, Filipino American Citizens League, United Filipino Council of Hawaii, and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 795 Finance on H.B. No. 1372**

The purpose of this bill is to ensure the continuation of essential safety-net hospital and long-term care services statewide by, among other things:

- (1) Authorizing an individual facility or regional system under the Hawaii Health Systems Corporation (HHSC) to transition into a new legal entity in any form;
- (2) Requiring regional system boards and HHSC community hospitals to collaborate with community health centers to maximize funding from the state and federal governments for costs associated with things such as capital investments and expanded hours of services; and
- (3) Exempting HHSC from the requirements of the State Procurement Code.

The Hawaii Health Systems Corporation and Kona Community Hospital testified in opposition to this bill. The Department of the Attorney General offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1372 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 796 Finance on H.B. No. 124**

The purpose of this bill is to:

- (1) Provide opportunities for health science and education students at the University of Hawaii at Manoa to participate in interdisciplinary teams at rural sites with faculty and community members; and
- (2) Address the shortage of health professionals in underserved rural communities in the state through the continued support of the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program (Program).

The Program, Hawaii Medical Service Association, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 797 Finance on H.B. No. 1057**

The purpose of this bill is to encourage more families to set aside savings for future higher education expenses by allowing family members and friends to make contributions directly into State-established HI529 college savings accounts.

The Department of Budget and Finance supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1057, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 798 Finance on H.B. No. 123**

The purpose of this bill is to address the capital facility needs of the University of Hawaii (UH) through the construction of new projects and the renovation and major repair of existing facilities by:

- (1) Increasing the amount of the revenue bond proceeds authorized by Act 161, Session Laws of Hawaii 2007 (Act 161) from \$100,000,000 to \$250,000,000;
- (2) Extending the lapse date of the appropriation of revenue bond proceeds authorized by Act 161 to June 30, 2013; and
- (3) Authorizing the UH Board of Regents to issue an additional \$150,000,000 in revenue bonds, and appropriating the same amount in revenue bond proceeds to lapse on June 30, 2015, for the same purpose.

UH and The Pacific Resource Partnership testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the amount of the revenue bond proceeds authorized by Act 161 from \$250,000,000 to an unspecified amount; and
- (2) Changing the amount of additional revenue bonds authorized to be issued by the UH Board of Regents from \$150,000 to an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 123, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 123, H.D. 2.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 799 Finance on H.B. No. 347**

The purpose of this bill is to exempt the University of Hawaii (UH) and UH Board of Regents (BOR) from the requirements of the Hawaii Public Procurement Code (Code), with certain exceptions, while encouraging the BOR to use the Code as a guideline.

UH, the UH Professional Assembly, Hawaii Business Roundtable, and a concerned individual supported this bill. The Subcontractors Association of Hawaii, American Council of Engineering Companies of Hawaii, American Institute of Architects Hawaii State Council, The Limtiaco Consulting Group, American Public Works Association Hawaii Chapter, and a concerned individual opposed this bill. The State Procurement Office submitted comments.

Your Committee has amended this measure by:

- (1) Repealing the provisions of this bill on July 1, 2012; and
- (2) Specifying that UH and BOR shall be subject to the provisions for professional services under section 103D-304, Hawaii Revised Statutes, in developing internal policies and procedures for procurement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 347, H.D. 2.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 800 Finance on H.B. No. 363**

The purpose of this bill is to encourage an increase in the supply of affordable housing by:

- (1) Requiring the counties to provide fee waivers and other incentives for the development of affordable housing; and
- (2) Requiring the counties to provide flexibility in public facility requirements for rental housing projects with units set aside for tenants with incomes at or below the area median income, 40 percent of which units are set aside for tenants with incomes at or below 80 percent of the area median.

The Hawaii Developers' Council and Building Industry Association of Hawaii testified in support of this bill. The Hawaii Housing Finance and Development Corporation offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 363, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 363, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 801 Finance on H.B. No. 1044**

The purpose of this bill is to facilitate the collection of the shared appreciation equity lien, deferred sales price lien, and excess proceeds in lieu of any buyback, imposed by the State on the sale of affordable housing properties that received assistance from the Hawaii Housing Finance and Development Corporation (HHFDC) that are undergoing foreclosure by, among other things:

- (1) Requiring purchasers to obtain HHFDC's written consent before refinancing real property during the time restrictions on transfers are applicable;
- (2) Clarifying that shared appreciation equity liens run with the land, are priority liens, and may be paid at any time after recordation of the sale; and
- (3) Requiring 45-day notice to HHFDC before mortgage foreclosure proceedings are commenced.

The Hawaii Housing Finance and Development Corporation supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1044, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 802 Finance on H.B. No. 1071**

The purpose of this bill is to establish within the Department of Commerce and Consumer Affairs (DCCA) a system of licensure and regulation of mortgage servicers of residential mortgage loans secured by real property located in Hawaii.

DCCA and the Hawaii Financial Services Association submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that passage of this bill will not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1071, H.D. 3.

Signed by all members of the Committee except Representative Ward.

**SCRep. 803 Finance on H.B. No. 1221**

The purpose of this bill is to stimulate the economy and provide housing for low- and moderate-income families and individuals by making an appropriation for affordable housing projects.

The Office of Hawaiian Affairs supported this bill. The Hawaii Housing Finance and Development Corporation submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing an unspecified amount of general obligation bonds;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1221, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 804 Finance on H.B. No. 1232**

The purpose of this bill is to help address the need for sustained housing affordability by requiring a portion of housing units in residential developments constructed in a community development district with State assistance and on land purchased or leased from the State, to be sold in a manner that ensures continued affordability over time.

The Office of Hawaiian Affairs, UniDev Hawaii, and the University of Hawaii Professional Assembly supported this bill. The Hawaii Housing Finance and Development Corporation opposed this measure. The Hawaii Community Development Authority provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1232, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1232, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 805 Finance on H.B. No. 1694**

The purpose of this bill is to ensure fair and equitable policies for public housing by:

- (1) Requiring the Hawaii Public Housing Authority to establish a minimum rent schedule;

- (2) Requiring a minimum monthly rent of \$250 for state public housing units and annual Consumer Price Index adjustment of minimum rent; and
- (3) Prohibiting preferences for tenant selection.

The Institute for Human Services and several concerned individuals supported this bill. The Hawaii Public Housing Authority, Catholic Charities Hawaii, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Community Alliance Partners, Land Use Research Foundation of Hawaii, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Inserting an unspecified amount the minimum rent requirement for state public housing;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1694, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1694, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 806 Finance on H.B. No. 697**

The purpose of this bill is to ensure that individuals who lose their employer-based health insurance due to the effects of the current economic downturn are provided a safety net for their health care coverage. This bill:

- (1) Establishes the Temporary Health Insurance for Unemployed Persons Program (Program) which offers similar health benefits provided by the QUEST-Net Program;
- (2) Partially reimburses individuals who continue their health insurance coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA); and
- (3) Appropriates funds to administer the Program as well as to reimburse individuals enrolled in COBRA health care coverage under COBRA.

The Hawaii Medical Service Association, ILWU Local 142, and UNITE HERE! Local 5 testified in support of this bill. The Department of Human Services testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount for the administration of the Program to an unspecified amount;
- (2) Changing the appropriation amount for the reimbursement of individuals enrolled in COBRA to an unspecified amount;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 697, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 697, H.D. 1.

Signed by all members of the Committee.

**SCRep. 807 Finance on H.B. No. 895**

The purpose of this bill is to deter the use of tobacco products other than cigarettes, including smokeless tobacco, snuff, cigars, and pipe tobacco, by:

- (1) Increasing the tobacco tax on such products from 40 percent to 60 percent of the wholesale price; and
- (2) Requiring that 33.3 percent of the proceeds collected be deposited into the Community Health Centers Special Fund.

The American Cancer Society, American Lung Association in Hawaii, Hawaii COPD Coalition, Hawaii Primary Care Association, Coalition for a Tobacco-Free Hawaii, and several concerned individuals supported this bill. The Department of Budget and Finance, Cigar Association of America, Inc., and Hawaiian Isles Enterprises opposed this measure. The Department of Taxation, American Heart Association, South Pacific Pipes and Cigars, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Increasing the tobacco tax from 40 percent to 80 percent of the wholesale price of each article or item of tobacco products;
- (2) Deleting the percentage of the proceeds to be deposited into the Community Health Centers Special Fund to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency and clarity.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 895, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 895, H.D. 2.

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

**SCRep. 808 Finance on H.B. No. 896**

The purpose of this bill is to regulate the sale of cigarettes and other tobacco products by making permanent the retail tobacco permit law that was established in Act 131, Session Laws of Hawaii, 2005.

This law is scheduled to be repealed on July 1, 2009.

The Department of Taxation, Department of the Attorney General, American Lung Association in Hawaii, American Heart Association, American Cancer Society, and Coalition for a Tobacco-Free Hawaii supported this bill. Retail Merchants of Hawaii opposed this measure.

Your Committee has amended this bill by changing the effective date to June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 896, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 896, H.D. 1.

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

**SCRep. 809 Finance on H.B. No. 989**

The purpose of this bill is to ensure health coverage for uninsured children in the state by:

- (1) Extending the Hawaii Children's Health Care Program (Program) to June 30, 2012;
- (2) Requiring primary health care services for Program participants to be provided by a federally qualified health center;
- (3) Requiring the report from the Department of Human Services (DHS) and any participating managed care plan to be submitted to the Legislature before the 2010 and 2011 regular sessions, and include any proposals on funding sources other than the State; and
- (4) Appropriating an unspecified amount of funds for the Program.

The Hawaii Primary Care Association, Healthcare Association of Hawaii, and Hawaii Medical Service Association testified in support of this bill. DHS provided comments on this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 989, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 989, H.D. 1.

Signed by all members of the Committee.

**SCRep. 810 Finance on H.B. No. 1371**

The purpose of this bill is to allocate a portion of federal funds received from the 2009 federal economic stimulus package to finance increased Medicaid reimbursements, disproportionate share hospital payments, and the Hawaii Children's Health Care Program.

The Healthcare Association of Hawaii, Hawaii Medical Service Association, AARP, and Kupuna Caucus of the Democratic Party of Hawaii supported this bill. The Department of Human Services opposed this measure. The Department of Health and Hawaii Government Employees Association submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the federal funds will be allocated specifically by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, or other federal stimulus acts; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1371, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1371, H.D. 1.

Signed by all members of the Committee.

**SCRep. 811 Finance on H.B. No. 625**

The purpose of this bill is to expand access to the justice system by providing more adequate funding for legal services to indigent persons by:

- (1) Increasing from \$10 to \$35 the surcharge imposed on civil actions in the district court for which an initial filing fee is required to be paid;
- (2) Increasing from \$25 to \$65 the surcharge imposed on civil actions in the circuit court for which an initial filing fee is required to be paid;
- (3) Increasing from \$25 to \$65 the surcharge imposed on civil actions in the courts of appeal for which an initial filing fee is required to be paid; and
- (4) Adjusting the distribution formula of the funds for legal-services organizations for the indigent by:
  - (A) Allocating 70 percent of all funds to be distributed on a pro rate basis to qualifying organizations; and
  - (B) Distributing equally the remaining 30 percent of the funds to qualifying organizations whose total budget in the prior year for civil legal services to indigent persons exceeded \$100,000.

The Access to Justice Commission, Volunteer Legal Services Hawaii, Hawaii Disability Rights Center, Hawaii Justice Foundation, Hawaii Immigrant Justice Center, Domestic Violence Action Center, American Civil Liberties Union of Hawaii, Mediation Center of the Pacific, and several concerned individuals testified in support of this bill. The Collection Agency of Hawaii, Inc., Pacific Collections, and several concerned individuals opposed this measure. The Collection Law Section of the Hawaii State Bar Association, Legal Aid Society of Hawaii, Credit Associates of Maui, Ltd., and a concerned individual offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 625, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 625, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 812 Finance on H.B. No. 1016**

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

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

Your Committee has amended this bill by:

- (1) Appropriating additional funds for five new claims that have been resolved, totaling \$456,067.28;
- (2) Correcting the amount of the Airports Division settlement from \$30,000 to \$60,000; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1016, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1016, H.D. 2.

Signed by all members of the Committee except Representatives Coffman, Keith-Agaran and Tokioka.

**SCRep. 813 Finance on H.B. No. 1293**

The purpose of this bill is to continue efforts to fight crime and to provide support and guidance to victims through the criminal justice process, by:

- (1) Creating a Domestic Violence Special Fund (Fund) to provide grants to organizations that provide domestic violence services; and
- (2) Appropriating funds to provide grants to the counties for their career criminal prosecution units and victim witness assistance programs.

The City and County of Honolulu Department of the Prosecuting Attorney and County of Hawaii Office of the Prosecuting Attorney testified in support of this bill. The Legal Aid Society of Hawaii, Hawaii State Coalition Against Domestic Violence, Mediation Center of the Pacific, Inc., Family Law Section of the Hawaii State Bar Association, Hawaii Justice Foundation, Volunteer Legal Services Hawaii, Domestic Violence Action Center, and Hawaii Immigrant Justice Center opposed this measure. The Judiciary, Department of Budget and Finance, Crime Victim Compensation Commission, and Sex Abuse Treatment Center offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provision establishing the Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1293, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1293, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 814 Finance on H.B. No. 1379**

The purpose of this bill is to ensure a person's wishes regarding end-of-life care are followed by allowing for the use of a standardized physician orders for life sustaining treatment form (Form) that states an individual's wishes regarding end-of-life treatment in all pre-hospital and health care settings.

The Policy Board for Elder Affairs and a concerned individual supported this bill. The Department of Health (DOH), Hawaii Health Systems Corporation, Honolulu Emergency Services Department, Healthcare Association of Hawaii, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing DOH to adopt rather than design a form for use by the patient in designating their care preferences;
- (2) Defining the terms "health care provider" and "patient's physician";
- (3) Including emergency medical services personnel and emergency physicians as health care providers required to follow the instructions the patient has provided on the Form;
- (4) Authorizing the Director of Health's use of discretion in determining whether to adopt rules to carry out the provisions of this bill;
- (5) Deleting provisions requiring public and private hospitals to adopt the use of the Forms; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1379, H.D. 2.

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

**SCRep. 815 Finance on H.B. No. 1713**

The purpose of this bill is to authorize the Governor to enter private property to mitigate situations deemed hazardous to the health and safety of the public, following appropriate notice procedures to the owner and occupier.

Several concerned individuals testified in support of this bill. The Department of Defense provided comments.

Your Committee finds that this measure will allow the State to prevent hazardous situations on private property, such as falling branches, unstable rock and soil, and clogged streams and waterways, that may pose a significant risk of harm to adjoining landowners and the general public when property owners fail to properly maintain their properties.

Your Committee has amended this bill by:

- (1) Clarifying that the Governor has the authority to determine when a situation is hazardous to the health and safety of the public to warrant entering onto private property for mitigation of the hazard;
- (2) Deleting the reference to tree removal from the list of examples of hazardous conditions that authorizes the Governor to enter onto private property, to prevent burdening limited civil defense resources; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1713, H.D. 2.

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

**SCRep. 816 Finance on H.B. No. 268**

The purpose of this bill is to improve the accuracy of real property tax assessments by requiring the assistant registrar of the Land Court to provide the administrator of the real property assessment division of the City and County of Honolulu an image and index of all instruments, writs, and other process that have been recorded in the assistant registrar's office relating to registered land in all the counties.

The Real Property Tax Division of the County of Hawaii Department of Finance supported this bill. The Department of Land and Natural Resources opposed this measure. The City and County of Honolulu and Real Property Tax Division of the County of Maui Department of Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 268, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 817 Finance on H.B. No. 269**

The purpose of this bill is to enable the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices of real property to more accurately determine real property tax assessments. Specifically, this bill requires the registrar of the Bureau of Conveyances to provide,

within ten days after the end of each week and free of charge, the administrator of the Real Property Assessment Division of the City and County of Honolulu an image and index of all instruments and documents that have been recorded in the registrar's office that week relating to land in all the counties. This bill also requires the real property assessment administrator of the City and County of Honolulu to provide copies of the images, without charge, to the real property assessment administrators of the other counties.

The Real Property Tax Division of the County of Hawaii Department of Finance supported this bill. The Department of Land and Natural Resources opposed this measure. The City and County of Honolulu and Real Property Tax Division of the County of Maui Department of Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 269, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 818 Finance on H.B. No. 345**

The purpose of this bill is to amend the comprehensive public funding program pilot project for the County of Hawaii by changing the inception date from the 2010 election year to the 2014 election year.

The Governor's Administration, Hawaii County Clerk's Office, a Hawaii County Council member, and a concerned individual testified in support of this bill. Lawyers for Equal Justice, Conservation Council for Hawaii, the League of Women Voters of Hawaii, Americans for Democratic Action-Hawaii Chapter, League of Women Voters of Hawaii County, and many concerned individuals testified in opposition to this measure. The State Campaign Spending Commission provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 345 and recommends that it pass Third Reading.

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

**SCRep. 819 Finance on H.B. No. 623**

The purpose of this bill is to improve the delivery of necessary government services by allowing the Attorney General to contract with the counties to process and issue state identification cards at satellite city halls and other locations.

The League of Women Voters of Hawaii and Waipahu Neighborhood Board supported this bill. The Department of Customer Services of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 623, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 820 Finance on H.B. No. 779**

The purpose of this bill is to help meet the increased need for enforcement of foreign country-money judgments due to increases in international trade by enacting the Uniform Foreign- Country Money Judgments Recognition Act, which replaces and updates a similar law by, among other things, allocating the burden of proof with respect to the application of law, expanding grounds for denying recognition and allocating burden of proof to do so, and establishing a statute of limitations.

The Commission to Promote Uniform Legislation provided comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 779 and recommends that it pass Third Reading.

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

**SCRep. 821 Finance on H.B. No. 782**

The purpose of this bill is to help facilitate the mediation process between parties in multi-state contexts by adopting the Uniform Mediation Act, which, among other things, establishes a privilege that assures the confidentiality of mediations in legal proceedings, provides exceptions to the privilege to protect integrity and knowing consent, limits disclosures by the mediator to judges and other arbitrators, requires mediators to disclose conflicts of interest, and assures that parties may bring an attorney or other individual designated by the party to the mediation session.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 822 Finance on H.B. No. 1025**

The purpose of this bill is to restore an inadvertently repealed statutory provision allowing for a presentence mental or medical examination of a defendant as part of the presentence investigation process.

The Judiciary and the Office of the Prosecuting Attorney of the County of Hawaii testified in support of this bill. The Attorney General and the Department of the Prosecuting Attorney of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 823 Finance on H.B. No. 1065**

The purpose of this bill is to help address the budget shortfall in fiscal biennium 2009-2011 by appropriating \$15,000,000 from the Emergency and Budget Reserve Fund, in lieu of general funds, for the Department of Human Services (DHS) Health Care Payments Program (HMS 401) for fiscal year 2009-2010.

The Department of Budget and Finance testified in support of this bill. The National association of Social Workers testified in opposition to this measure. DHS provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 824 Finance on H.B. No. 1094**

The purpose of this bill is to amend the Child Protective Act by, among other things:

- (1) Adding provisions related to permanency hearings to determine permanent placement of a child; and
- (2) Allowing the court to set a case for a show cause hearing if a child's family home is determined not to be safe, even with the assistance of a service plan.

The Department of Human Services testified in support of this bill. The Judiciary submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1094, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 825 Finance on H.B. No. 1103**

The purpose of this bill is to repeal the statute establishing the Statewide Council on Independent Living within the Department of Human Services, a situation that is prohibited by federal law and prevents the receipt of federal financial assistance.

The Department of Human Services, State Council on Developmental Disabilities, Statewide Independent Living Council, and several concerned individuals supported this bill. A concerned individual opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 826 Finance on H.B. No. 1525**

The purpose of this bill is to require the Department of Human Services (DHS) to restrict Medicaid contract awards solely to nonprofit insurance entities.

The Hawaii Primary Care Association, Hawaii Government Employees Association, and Lanai Women's Center dba Lanai Community Health Center testified in support of this bill. The Department of Commerce and Consumer Affairs, DHS, State Council on Developmental Disabilities, State Procurement Office, MDX Hawaii, and Evercare opposed this measure. The Waianae Coast Comprehensive Health Center, Faith Action for Community Equity, and two concerned individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1525, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 827 Finance on H.B. No. 87**

The purpose of this bill is to ensure that a free and appropriate public education is provided to students eligible for special education who are placed in private schools at public expense by:

- (1) Authorizing and obligating the Department of Education (DOE) to oversee and monitor these students;

- (2) Specifying that if the private school does not allow DOE routine and timely access to monitor the delivery of special education, the placement of the student in the private school is to be deemed an inappropriate placement for the student and is not to be considered the last agreed-upon placement; and
- (3) Requiring the individualized education program team to reconvene to determine a new placement for the student.

DOE testified in support of this bill. The State Council on Developmental Disabilities, Community Children's Councils of Hawaii, Hawaii Disability Rights Center, and several concerned individuals opposed this measure. The Special Education Advisory Council, Hawaii Association of Independent Schools, Autism Society of Hawaii, and several individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 87, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 828 Finance on H.B. No. 179**

The purpose of this bill is to clarify the responsibility for school facilities repair and maintenance by the Department of Education (DOE), by clarifying that DOE:

- (1) May charge private entities for the cost of electricity and maintenance of air conditioners not installed by the DOE, as well as those not installed by the Department of Accounting and General Services; and
- (2) Is responsible for the repair and maintenance of donated equipment and fixtures.

DOE commented on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 829 Finance on H.B. No. 618**

The purpose of this bill is to conform the law governing the spending of endowment funds with modern investment and expenditure practices by enacting the Uniform Prudent Management of Institutional Funds Act.

The Department of the Attorney General, Commission to Promote Uniform Legislation, National Tropical Botanical Garden, Hawai'i Community Foundation, Hawai'i Alliance of Nonprofit Organizations, and Hawai'i Pacific University testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 618 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 830 Finance on H.B. No. 1031**

The purpose of this bill is to improve Hawaii's antitrust laws by clarifying:

- (1) The ability of government entities to bring an action based on unfair methods of competition and unfair or deceptive acts or practices;
- (2) The right of government entities to bring an antitrust action for damages notwithstanding their status as indirect purchasers; and
- (3) That any civil action or proceeding authorized under Hawaii's antitrust laws may be brought in any appropriate court, and not only the court in the circuit where the defendant resides, does business, or has an agent.

The Department of the Attorney General supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1031 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 831 Finance on H.B. No. 1061**

The purpose of this bill is to ensure reliable public utility services by authorizing the Public Utilities Commission (PUC) to appoint a receiver to take necessary temporary action to assure continued water or sewer service in certain situations where the PUC finds that a regulated private water or sewer utility is failing or in imminent threat of failing to provide adequate and reasonable service to customers.

PUC testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1061, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 832 Finance on H.B. No. 1062**

The purpose of this bill is to repeal the Public Utilities Commission's (PUC) responsibility for gas pipeline safety and inspections, as those functions have been performed by the U.S. Department of Transportation's Office of Pipeline Safety since 1993.

The PUC testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1062 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 833 Finance on H.B. No. 1438**

The purpose of this bill is to protect homebuyers by replacing the existing Mortgage Brokers and Solicitors Law under Chapter 454, Hawaii Revised Statutes, with a new law regulating mortgage loan originators.

The Office of Hawaiian Affairs, Hawaii Bankers Association, and the Hawaii Association of Mortgage Brokers supported this bill. The Department of Commerce and Consumer Affairs and Hawaii Financial Services Association opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1438, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 834 Finance on H.B. No. 272**

The purpose of this bill is to streamline oversight of commercial registered agents (CRAs) by allowing CRAs to register as such with the Department of Commerce and Consumer Affairs (DCCA).

DCCA and the State of Hawaii Commission to Promote Uniform Legislation submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 272, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 272, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 835 Finance on H.B. No. 1059**

The purpose of this bill is to protect underground infrastructure by making the Public Utilities Commission's (PUC) One Call Center pilot program permanent, but to exempt from the Program any pest control activity regulated under Chapter 460J, Hawaii Revised Statutes.

The PUC, Building Industry Association of Hawaii, Hawaiian Telcom, and Hawaii Pest Control Association testified in support of this bill. The One Call Center Advisory Committee offered comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 29, 2009; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1059, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1059, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 836 Finance on H.B. No. 1060**

The purpose of this bill is to improve government efficiency by providing that the Public Utilities Commission (PUC) hearing notices regarding proposed rate changes need only be published in the counties served by the utilities rather than statewide.

The PUC testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1060, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1060, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 837 Finance on H.B. No. 172**

The purpose of this bill is to improve student academic performance by:

- (1) Allowing the Superintendent of Education (Superintendent) to reconstitute a public school, except a charter school, which has been in restructuring for four or more school years and has not advanced significantly toward improving academic performance as determined by a statistical analysis of academic data, only after certain considerations have been made;
- (2) Allowing the Superintendent to recommend to the Charter School Review Panel (Panel) actions that should be taken to reconstitute a charter school which has been in restructuring for four or more years, and recommend to the Panel the revocation of the school's charter;
- (3) Requiring the Superintendent to make a recommendation to the Board of Education to reconstitute the school, taking into consideration the recommendation of the complex area superintendent, if any;
- (4) Requiring the Department of Education (DOE) to negotiate with the respective unions the process of reassigning employees of the school to be reconstituted, to other DOE positions for which the employees are qualified; and
- (5) Requiring DOE to follow the current hiring and recruiting procedures for all qualified employees to be employed at the reconstituted school.

DOE testified in support of this bill. The Hawaii Government Employees Association, Hawaii State Teachers Association, and numerous concerned individuals testified in opposition to this measure. The Charter School Administrative Office provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 172, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 838 Finance on H.B. No. 180**

The purpose of this bill is to eliminate redundancy in the Department of Education (DOE) by repealing the Performance Standards Review Commission established in 1996.

DOE supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 180, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 180, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 839 Finance on H.B. No. 395**

The purpose of this bill is to ensure continued funding for the State's early learning program by requiring any general fund appropriations designated for the State's early learning system that are unexpended or unencumbered at the end of the fiscal period specified in the appropriating Act to lapse into the Keiki First Steps Trust Fund.

The Department of Education, Office of Hawaiian Affairs, Good Beginnings Alliance, Kamehameha Schools, Aloha United Way, Keiki Funders Network of Hawaii, Samuel N. and Mary Castle Foundation, Hawaii Association of Independent Schools, Hawaii Association for the Education of Young Children, and the Institute for Native Pacific Education and Culture testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee finds that the provisions of this bill are more appropriate in the form of session laws. Accordingly, your Committee has amended this bill by providing in the session laws of Hawaii, that any general fund appropriations for comprehensive student support services (Education 150) for fiscal year 2008-2009 that are designated for the early learning system under chapter 302L, Hawaii Revised Statutes, that are unexpended or unencumbered at the end of fiscal year 2008-2009 to lapse into the Keiki First Steps Trust Fund on June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 395, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 395, H.D. 1.

Signed by all members of the Committee.

**SCRep. 840 Finance on H.B. No. 985**

The purpose of this bill is to improve accountability and transparency in the public schools by:

- (1) Requiring the Department of Education (DOE), in its evaluation of the effectiveness of complex area superintendents and principals in supporting fiscal accountability, to include an evaluation of the accountability measures taken in regards to the use of resources by schools;



- (2) Requiring each principal to develop and present to the school community council the school budget process as it aligns with the school's academic and financial plans;
- (3) Requiring the Board of Education to develop a process for school community councils to appeal decisions made by the principal to set aside council decisions; and
- (4) Requiring school principals to exercise various means available, including electronic media and websites, to engage and consult with teachers, parents, and students to solicit input and advice on the use of money, positions, and other resources available to the school.

The Hawaii State Teachers Association and several concerned individuals supported this bill. DOE opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 985, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 841 Finance on H.B. No. 1376**

The purpose of this bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education.

Specifically, this bill provides for the timely construction, expansion, consolidation, or closure of public schools in Hawaii through an objective and transparent process that:

- (1) Includes the establishment of a Facilities Alignment Commission (FAC); and
- (2) Directs the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing schools according to the recommendations of the FAC, if the Legislature does not disapprove of the recommendations in their entirety.

The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, Hawaii Developers Council, and Building Industry Association supported this bill. The Department of Education submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1376, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1376, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 842 Finance on H.B. No. 242**

The purpose of this bill is to support value-added agricultural operations in Hawaii by authorizing the issuance of general obligation bonds and appropriating funds, matched dollar-for-dollar in cash or in-kind donations by the private sector, for the planning, repair, and modification of agricultural facilities at the former Del Monte operation on Oahu and at Maui Community College.

The Hawaii Crop Improvement Association, ILWU Local 142, Hawaii Agriculture Research Center, and Hawaii Farm Bureau Federation testified in support of this bill. The Department of Agriculture, University of Hawaii, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Specifying that no funds shall be made available under this Act unless matched dollar-for-dollar in federal funds in cash;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 242, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 242, H.D. 1.

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

**SCRep. 843 Finance on H.B. No. 318**

The purpose of this bill is to assist farmers impacted by vog by requiring the Department of Agriculture (DOA), in consultation with the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR), to conduct comprehensive research to determine the best methods for employing vog treatments and find specific varieties of crops more resistant to the effects of vog.

The Hawaii Farm Bureau Federation testified in support of this bill. The State of Hawaii Department of Defense testified in opposition to this measure. DOA and CTAHR commented on this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 318, H.D. 1.

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

**SCRep. 844 Finance on H.B. No. 1433**

The purpose of this bill is to protect the State from the threat of invasive species by:

- (1) Establishing unspecified fines on persons who fail to pay the inspection, quarantine, and eradication service fee (inspection fee) and on transportation companies that fail to remit the inspection fees collected to the Department of Agriculture (DOA); and
- (2) Depositing the collected fines into the Pest Inspection, Quarantine, and Eradication Fund.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Nature Conservancy, Hawaii Audubon Society, and Alexander and Baldwin, Inc., supported this bill. The Department of Land and Natural Resources, DOA, Chamber of Commerce of Hawaii, Hawaii Ship Agents Association, Hawaiian Cement, Grace Pacific Corporation, Airlines Committee of Hawaii, and Hawaiian Airlines provided comments.

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

- (1) Specifying \$100 as the fine both for persons failing to pay the inspection fee and transportation companies that fail to remit collected inspection fees; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1433, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1433, H.D. 2.

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

**SCRep. 845 Finance on H.B. No. 279**

The purpose of this bill is to support renewable energy development in Hawaii by:

- (1) Establishing a Renewable Energy Branch within the Department of Business, Economic Development, and Tourism (DBEDT) to coordinate and manage renewable energy initiatives;
- (2) Establishing additional duties for the Energy Resources Coordinator to promote renewable energy initiatives; and
- (3) Appropriating \$393,518 for fiscal year 2009-2010 and for fiscal year 2010-2011 for seven full-time temporary energy analysts to meet the additional renewable energy responsibilities set forth in this bill.

DBEDT supported this bill. The Blue Planet Foundation submitted comments.

To encourage further discussion, your Committee has amended this measure by changing:

- (1) The amount of the appropriation for the seven full-time temporary energy analysts to an unspecified amount; and
- (2) Its effective date to July 1, 2020.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 279, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 279, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

**SCRep. 846 Finance on H.B. No. 281**

The purpose of this bill is to prioritize the expenditure of federal funds received by the State through the American Recovery and Reinvestment Act of 2009 to develop the highly skilled and well-trained green collar workforce needed by Hawaii's emerging green economy sector and to implement the Emergency Environmental Workforce Program.

The Department of Labor and Industrial Relations testified in opposition to this bill. The Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, University of Hawaii (UH), Research Corporation of UH, and The Nature Conservancy offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 281, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 281, H.D. 3.

Signed by all members of the Committee.

**SCRep. 847 Finance on H.B. No. 370**

The purpose of this bill is to decrease the cost of electricity generated by diesel fuel by reverting the license tax on liquid fuels back to 1 cent per gallon for diesel used in electric power-generation by a power-generating facility regulated by the Public Utilities Commission.

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

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 370, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 370, H.D. 2.

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

**SCRep. 848 Finance on H.B. No. 371**

The purpose of this bill is to make permanent the law imposing a 1 cent per gallon tax on naphtha fuel when sold for use in a power-generating facility.

The Kauai Island Utility Cooperative and Hamakua Energy Partners, L.P. supported this bill. The Department of Taxation, Department of Transportation, Department of Health, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 371, H.D. 2.

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

**SCRep. 849 Finance on H.B. No. 426**

The purpose of this bill is to promote renewable energy development in Hawaii by authorizing the issuance of up to \$30,000,000 in special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC, in designing and constructing the district cooling project.

Honolulu Seawater Air Conditioning, LLC, Hawaii Renewable Energy Alliance, and the Hawaii Building and Construction Trades Council, AFL-CIO, supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 426, H.D. 1.

Signed by all members of the Committee except Representatives Har, Wooley and Pine.

**SCRep. 850 Finance on H.B. No. 574**

The purpose of this bill is to improve the State's recycling program by:

- (1) Extending the repeal date of the Reverse Vending Machine Rebate Program from June 30, 2009, to June 30, 2014;
- (2) Increasing from 50 to 100 percent the rebate provided for the actual cost of each reverse vending machine, and establishing a new rebate of up to 75 percent of the operating cost of each reverse vending machine during the first two years of operation; and

- (3) Appropriating \$1,750,000 for fiscal year 2009-2010 for grants-in-aid to the counties to plan and operate county recycling programs.

The Department of Health opposed this bill. The Sierra Club, Hawaii Chapter, submitted comments.

To encourage further discussion, your Committee has amended this measure by changing:

- (1) The rebate percentages provided for the actual cost and two-year operating costs of a reverse vending machine to unspecified percentages;
- (2) The appropriation amounts for the grants-in-aid to the counties to unspecified amounts; and
- (3) Its effective date to July 1, 2020.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 574, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

**SCRep. 851 Finance on H.B. No. 834**

The purpose of this bill is to revise the State's water quality standards for state inland and marine waters.

The Department of Health and Hawaii Water Environment Association supported this bill. Sierra Club-Hawaii Chapter, Life of the Land, and a concerned individual opposed this measure. The City and County of Honolulu Department of Environmental Services and the County of Kauai Wastewater Management Division offered comments.

Your Committee has amended this bill by:

- (1) Adding a limited exception from the adoption of federal criteria for nonpriority pollutants not currently regulated in the Hawaii Administrative Rules;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 834, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 834, H.D. 2.

Signed by all members of the Committee.

**SCRep. 852 Finance on H.B. No. 1483**

The purpose of this bill is to help create an infrastructure to support the use of alternatives to fossil fuel-based modes of transportation by authorizing the issuance of special purpose revenue bonds to assist Better Place Hawaii, Inc., in the planning, design, construction, and development of transportation infrastructure, equipment, and apparatus to support electric vehicles in Hawaii.

Better Place Hawaii, Inc., the Hawaii Building and Construction Trades Council, AFL-CIO, Life of the Land, and Enterprise Honolulu supported this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1483, H.D. 1.

Signed by all members of the Committee except Representatives Har, Wooley and Pine.

**SCRep. 853 Finance on H.B. No. 1491**

The purpose of this bill is to ensure fiscal stability during the economic slump by reducing the aggregate annual cap on the Ethanol Facility Tax Credit (Tax Credit) from \$12,000,000 to \$8,000,000 for one and a half years from July 1, 2011, until December 31, 2012.

The Department of Business, Economic Development, and Tourism opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii BioEnergy provided comments.

Your Committee finds that while fiscal responsibility in this time of budgetary difficulty is prudent, the Tax Credit is an important tool in developing a renewable energy industry in Hawaii. To ensure the continuation of renewable energy projects within the state, once the economy recovers, it is crucial that investors are confident in the knowledge that the industry has the full support of the State. Accordingly, your Committee has amended this bill by providing that the full aggregate annual credit is reinstated after December 31, 2012.

Your Committee has also amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1491, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 854 Finance on H.B. No. 1627**

The purpose of this bill is to encourage the development of cogeneration facilities by authorizing the issuance of \$40,000,000 in special purpose revenue bonds for Carbon Diversion, Inc., to establish cogeneration and related energy production facilities at various locations in the state.

Carbon Diversion, Inc., and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1627, H.D. 2.

Signed by all members of the Committee except Representatives Har and Pine.

**SCRep. 855 Finance on H.B. No. 1628**

The purpose of this bill is to authorize the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC.

BioEnergy Hawaii, LLC, and Pacific Waste, Inc., testified in support of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1628, H.D. 1.

Signed by all members of the Committee except Representatives Har and Pine.

**SCRep. 856 Finance on H.B. No. 1678**

The purpose of this bill is to protect Hawaii's environment and work towards decreasing its dependence on imported fossil fuels by authorizing the issuance of special purpose revenue bonds to assist LifeGrid Solutions, LLC, with the planning, design, and construction of a biofuel refinery and research facility on Oahu.

LifeGrid Solutions, LLC, testified in support of this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1678, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1678, H.D. 1.

Signed by all members of the Committee except Representatives Har and Pine.

**SCRep. 857 Finance on H.B. No. 638**

The purpose of this bill is to expedite the awarding of public contracts by discouraging frivolous or bad-faith protests.

This bill:

- (1) Requires the dismissal of a protest of an award or contract if the protest is based on an inadvertent error in a bid that is less than one percent of the bid amount;
- (2) Allows an administrative proceeding to consider a protest of a solicitation or award of a contract if:
  - (A) The protest concerns a matter that is equal to no less than ten percent of the total estimated value of the contract; and
  - (B) The soliciting party pays a cash or protest bond in an amount equal to one percent of the total estimated value of the contract;

and

- (3) Provides for the disposition of the cash or protest bond upon the outcome of the administrative hearing.

The Department of Accounting and General Services and State Procurement Office opposed this bill.

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

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 858 Finance on H.B. No. 1768**

The purpose of this bill is to clarify the dollar amount at which bid security is required for solicitations of construction contracts awarded under the bid or request for proposals processes.

The State Procurement Office testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1768, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Keith-Agaran.

**SCRep. 859 Finance on H.B. No. 425**

The purpose of this bill is to support the development of renewable energy in Hawaii by extending from June 30, 2009, to June 30, 2014, the authorization to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

Honolulu Seawater Air Conditioning, LLC, Hawaii Renewable Energy Alliance, Life of the Land, and Hawaii Building and Construction Trades Council, AFL-CIO, supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Brower, Har, Wooley, Yamashita and Pine.

**SCRep. 860 Finance on H.B. No. 427**

The purpose of this bill is to encourage the development of alternative energy and renewable fuel technologies by authorizing the issuance of \$40,000,000 in special purpose revenue bonds for One Planet Pacific Energy, LLC, to build a gasification facility adjoining the construction and demolition material solid waste landfill located in Nanakuli on the island of Oahu.

One Planet Pacific Energy, LLC, supported this bill. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 427, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Wooley and Pine.

**SCRep. 861 Finance on H.B. No. 986**

The purpose of this bill is to provide school facilities that are critical to the health and well-being of Hawaii's students, decrease energy demands, and stimulate economic growth by requiring the:

- (1) Construction and renovation of public school facilities to meet the standards of the Collaborative for High Performance Schools rating system;
- (2) Replacement of old portable classrooms with high-performance classrooms; and
- (3) Prioritization of public school facilities projects in accordance with certain criteria.

The Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Education and Department of Business, Economic Development, and Tourism offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Coffman, Keith-Agaran and Ward.

**SCRep. 862 Finance on H.B. No. 1807**

The purpose of this bill is to allow the Director of Health to use funds from the federal American Recovery and Reinvestment Act of 2009 and other applicable federal acts to provide financial assistance for the construction of:

- (1) Necessary drinking water infrastructure projects for public water systems; and

- (2) Necessary wastewater infrastructure projects for publicly-owned wastewater treatment works.

The Department of Health, City and County of Honolulu Department of Environmental Services, County of Hawaii Department of Water Supply, County of Kauai Department of Water, City and County of Honolulu Board of Water Supply, County of Maui Board of Water Supply, and Hawaii Government Employees Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1807, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 863 Finance on H.B. No. 586**

The purpose of this bill is to repeal the Kaneohe Bay Regional Council (Council) while continuing the plans, programs, and other policies adopted by the Council through the Department of Land and Natural Resources (DLNR).

The Council, among other things:

- (1) Facilitates the implementation of the Kaneohe Bay Master Plan;
- (2) Serves as a central clearinghouse of public and private activities in Kaneohe Bay; and
- (3) Facilitates interaction between Kaneohe Bay users and the general public.

The Office of Hawaiian Affairs supported this bill. A concerned individual opposed this measure. DLNR, Koolaupoko Hawaiian Civic Club, and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 586, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 864 Finance on H.B. No. 1604**

The purpose of this bill is to establish a tax on the value of improvements, surrendered to a lessor by a lessee without compensation to the lessee, at the expiration of a long-term lease on non-residential real property.

Alexander & Baldwin, Inc., testified in opposition to this bill. The Tax Foundation of Hawaii, Kamehameha Schools, and Hawaii Association of REALTORS® provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1604 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 865 Finance on H.B. No. 754**

The purpose of this bill is to reorganize the Hawaii Tourism Authority (HTA) Board by removing the Director of Business, Economic Development, and Tourism, Director of Transportation, Chairperson of the Department of Land and Natural Resources, and Executive Director of the State Foundation on Culture and the Arts, and placing them on a newly established advisory group to HTA.

The Department of Transportation, Department of Land and Natural Resources, State foundation on Culture and the Arts, Department of Business, Economic Development, and Tourism, and several concerned individuals opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 754, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 866 Finance on H.B. No. 863**

The purpose of this bill is to establish a no-interest revolving loan fund to provide loans to the counties for the development and construction of infrastructure projects to expedite the building of transit-oriented development.

The Department of Planning and Permitting of the City and County of Honolulu, Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Developers' Council supported this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 867 Finance on H.B. No. 1388**

The purpose of this bill is to provide measured relief to airport concessionaires by:

- (1) Providing for annual adjustments in guaranteed rents to be paid to the State by airport concessionaires;
- (2) Requiring each airport concession lease to provide for, or be modified and adjusted to provide for, certain economic emergency relief provisions;
- (3) Specifying that prior to granting any relief pursuant to the economic relief provisions of an airport concession lease, the Director of Transportation shall first take into account any prior relief granted to the concessionaire to avoid duplication of relief benefits; and
- (4) Specifying that a concessionaire that qualifies for relief may only seek relief for the period of time on or after November 1, 2006.

The Department of Transportation and Airlines Committee of Hawaii opposed this measure. HMSHost Corporation, International Currency Exchange, Airport Concessionaires Committee, and Smarte Carte, Inc., submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1388, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 868 Finance on H.B. No. 381**

The purpose of this bill is to replace the June 30, 2009, lapse date for a \$4,000,000 appropriation to the State of Hawaii Endowment Fund, originally appropriated in Act 97, Session Laws of Hawaii 2006, with provisions stipulating that all portions of pledges not matched by an actual payment of the pledge by February 28, 2013, revert to the general fund.

The Department of Accounting and General Services, Honolulu Symphony Society Board of Directors, Honolulu Symphony Musicians, Honolulu Symphony Society, and a concerned individual testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 381, H.D. 2.

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

**SCRep. 869 Finance on H.B. No. 601**

The purpose of this bill is to expand the use of the Works of Art Special Fund (Special Fund) by:

- (1) Increasing the amount of state fund appropriations for capital improvement construction costs earmarked for the Special Fund from one to two percent; and
- (2) Allowing up to 50 percent of the Special Fund to be used for capital improvement projects, the purchase of facilities, and the repair and maintenance of facilities dedicated to culture and the arts.

The Department of Budget and Finance, Department of Accounting and General Services, and American Institute of Architects opposed this bill.

Your Committee has amended this bill by leaving blank all percentages to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 601, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 601, H.D. 2.

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

**SCRep. 870 Finance on H.B. No. 960**

The purpose of this bill is to expand the description of a tourism emergency to include a regional or worldwide economic crisis.

The Hawaii Tourism Authority, Department of Business, Economic Development, and Tourism, Chamber of Commerce of Hawaii and its Tourism Committee, Hawaii Hotel and Lodging Association, Classic Resorts Limited, Starwood Hotels and Resorts Worldwide, Inc., Retail Merchants of Hawaii, Hilton Hawaii, Hilton Grand Vacations, Maui Divers of Hawaii, Ltd., Marriott's Ko Olina Beach Club, Maui Chamber of Commerce, Maui Hotel and Lodging Association, Outrigger Hotels, Activities and Attractions Association of Hawaii, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 960, H.D. 2.

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



**SCRep. 871 Finance on H.B. No. 1204**

The purpose of this bill is to support Hawaii's tourism industry by requiring, for each of fiscal years 2009-2010 and 2010-2011 only, an additional distribution of not more than \$10,000,000 in Transient Accommodations Tax revenues to the Tourism Special Fund.

The Hawaii Tourism Authority; Retail Merchants of Hawaii; Maui Hotel and Lodging Association; Maui Chamber of Commerce; Marriott's Ko Olina Beach Club; Maui Divers of Hawaii, Ltd.; Hilton Hawaii; New Otani Kaimana Beach Hotel; Ritz-Carlton; Kapalua; Hawaii Hotel and Lodging Association; Classic Resorts Limited; Starwood Hotels and Resorts Worldwide, Inc.; Outrigger Hotels; and several concerned individuals testified in support of this bill. The Department of Budget and Finance and Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by leaving blank the amount of funds to be transferred to the Tourism Special Fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1204, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1204, H.D. 2.

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

**SCRep. 872 Finance on H.B. No. 1471**

The purpose of this bill is to promote local agriculture by:

- (1) Establishing the Food Certification Pilot Program (Program) within the Department of Agriculture (DOA) to:
  - (A) Encourage farmers to form agricultural cooperatives;
  - (B) Coordinate purchasing agreements between the agricultural cooperatives and hotels, restaurants, and other buyers in the visitor and hospitality industries; and
  - (C) Develop and implement safe food certification for products under the Program;
 and
- (2) Establishing the Food Certification Pilot Program Special Fund and appropriating funds for the Program.

The Hawaii Agriculture Research Center, Armstrong Produce, Hawaii Farm Bureau Federation, Kyo-ya Management Company Limited, and Alluvion, Inc., testified in support of this bill. The Department of Budget and Finance, DOA, University of Hawaii at Manoa, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Blanking out the amounts of the appropriations to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1471, H.D. 2.

Signed by all members of the Committee.

**SCRep. 873 Finance on H.B. No. 1763**

The purpose of this bill is to abolish the Hawaii Tourism Authority (HTA) and establish a Department of Tourism.

HTA, Hilton Hawaii, The New Otani Kaimana Beach Hotel, Classic Resorts Limited, the Hawaii Hotel and Lodging Association, Starwood Hotels and Resorts Worldwide, Inc., Outrigger Hotels, the Maui Chamber of Commerce, the Maui Hotel and Lodging Association, Marriott's Ko Olina Beach Club, and several concerned individuals opposed this bill. The Department of Business, Economic Development, and Tourism offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1763, H.D. 2.

Signed by all members of the Committee except Representatives Coffman and Tokioka.  
(Representatives Pine and Ward voted no.)

**SCRep. 874 Finance on H.B. No. 413**

The purpose of this bill is to promote the rehabilitation of nonviolent individuals with drug-related convictions through alternatives to incarceration and help them in their return to society by establishing and expanding drug treatment and reintegration programs.

The Office of Hawaiian Affairs, American Civil Liberties Union, Drug Policy Forum of Hawaii, Community Alliance on Prisons, Hepatitis Prevention & Support Network of Hawai'i, and two concerned individuals testified in support of this bill. The Department of Public Safety testified in opposition to this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 413, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 413, H.D. 1.

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

**SCRep. 875 Finance on H.B. No. 685**

The purpose of this bill is to ensure that the State Fire Council (SFC) has the resources necessary to carry out its duties by authorizing the establishment of staff positions within the SFC to assist in accomplishing its duties and responsibilities.

SFC, Honolulu Fire Department, Kauai Fire Department, Hawaii Fire Department, and the County of Maui Department of Fire and Public Safety supported this bill. The Department of Labor and Industrial Relations offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 685, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 685, H.D. 2.

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

**SCRep. 876 Finance on H.B. No. 686**

The purpose of this bill is to facilitate the transition to reduced ignition propensity cigarettes (RIPCs) by:

- (1) Delaying the implementation of the RIPC Law from September 30, 2009, to September 30, 2010;
- (2) Establishing a special revolving fund for the State Fire Council (SFC) to hire personnel to administer the RIPC program and to cover program costs.

The SFC, Honolulu Fire Department, County of Maui Department of Fire and Public Safety, Hawaii Fire Department, Kauai Fire Department, and the Coalition for a Tobacco-Free Hawaii supported this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 686, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 686, H.D. 1.

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

**SCRep. 877 Finance on H.B. No. 954**

The purpose of this bill is to ensure that federal fund reimbursements for eligible disaster repair projects and disaster management costs received by the Department of Defense (DOD) are not subject to lapsing by requiring the Director of Finance to establish a major disaster reserve trust fund, including subaccounts for this trust fund and any other trust funds or accounts, where federal fund reimbursements may be held for later use.

The Department of Budget and Finance opposed this bill. DOD provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 954, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 954, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 878 Finance on H.B. No. 990**

The purpose of this bill is to improve planning and coordination for disaster preparedness efforts by establishing the Office of Disaster Preparedness and a Disaster Preparedness Commission to develop a comprehensive disaster preparedness plan.

State Farm Insurance Companies, Hawaii Association of REALTORS, and Hawaii Lumber Products Association supported this bill. The Department of Defense and Department of Transportation opposed this measure. The Judiciary offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 990, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 990, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 879 Finance on H.B. No. 1014**

The purpose of this bill is to establish a single entity to administer enhanced 911 services for the state. Among other things, this bill:

- (1) Renames the existing Wireless Enhanced 911 Board as the Enhanced 911 Board (Board) and expands the membership of the Board from 11 to 14 members; and
- (2) Establishes a monthly surcharge of 46 cents per month for each communications service connection, including both wireless and wireline connections, for enhanced 911 service.

The Department of Accounting and General Services supported this bill. The County of Kauai Department of Finance and Hawaiian Telcom opposed this bill. The Department of Information Technology of the City and County of Honolulu, Honolulu Police Department, State Fire Council, Honolulu Fire Department, Tax Foundation of Hawaii, and AT&T submitted comments.

Your Committee recognizes that concerns were raised regarding the 46 cents monthly surcharge set forth in this bill as it represents an increase of 19 cents from the 27 cents surcharge currently assessed for wireline customers. With the primary wireline carrier in Hawaii having filed for bankruptcy, the increased surcharge may pose yet another financial obstacle for the wireline carrier in its efforts to reorganize and return to profitability as a viable business.

Accordingly, your Committee has amended this measure by changing the monthly surcharge to an unspecified amount to encourage further discussion. Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1014, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1014, H.D. 3.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 880 Finance on H.B. No. 1568**

The purpose of this bill is to assist the Hawaii Chapter of the American Red Cross in its disaster preparedness efforts by appropriating \$1,650,000 for various capital improvements to its Oahu headquarters and four neighbor island offices.

The American Red Cross – Hawaii Chapter supported this bill. The Department of Defense submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the \$1,650,000 appropriation with an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1568, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 881 Finance on H.B. No. 1776**

The purpose of this bill is to help prevent inmates from receiving public assistance that they are not entitled to by requiring:

- (1) The Department of Public Safety (DPS) to provide the Department of Human Services (DHS) with a monthly report listing newly admitted inmates; and
- (2) DHS to identify the status of each inmate on the monthly list with respect to the inmate's current receipt of public assistance.

Waianae Community Outreach, HOPE for a New Beginning Shelter, and a concerned individual supported this bill. DHS and DPS submitted comments.

Your Committee recognizes that in addition to potentially saving the state money by stopping public assistance payments to inmates who are not eligible to receive them, this measure will also help protect families of inmates still receiving public assistance from being unintentionally overpaid, which can result in a reduction of future benefits for those families through no fault of their own.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1776, H.D. 1.

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

**SCRep. 882 Finance on H.B. No. 139**

The purpose of this bill is to improve the statewide transportation system and help alleviate traffic congestion through a fiscally prudent approach by allowing the State to enter into agreements with private entities to build, operate, own, or finance newly constructed transportation facilities, including toll roads.

The Representative of the 42<sup>nd</sup> District and a concerned individual supported this bill. The Hawaii Government Employees Association opposed this measure. The Department of Transportation, Hawaii Transportation Association, and a concerned individual provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 139, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 139, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 883 Finance on H.B. No. 142**

The purpose of this bill is to exempt aviation fuel from the general excise and use taxes when it is purchased from within a foreign-trade zone by a common carrier for use in intra-state transportation.

The Chamber of Commerce of Hawaii, Airlines Committee of Hawaii, and ILWU Local 142 supported this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 142, H.D. 1.

Signed by all members of the Committee.

**SCRep. 884 Finance on H.B. No. 145**

The purpose of this bill is to protect the public's health, safety, and welfare by promoting traffic safety by:

- (1) Allowing county implementation of a photo red light imaging detector system program;
- (2) Authorizing the state Director of Finance to distribute fines collected under a photo red light imaging detector system program established by a county directly to the county director of finance of the county in which the violation occurred; and
- (3) Requiring that a summons or citation sent by certified or registered mail to the registered owner of a vehicle include a return receipt to ensure that the registered owner received the citation and notice of infraction.

The City & County of Honolulu Department of the Prosecuting Attorney, the Downtown Neighborhood Board No. 13, State Farm, and Mothers Against Drunk Driving – Hawaii supported this bill. A concerned individual opposed this measure. The Judiciary and the Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 145, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 145, H.D. 2.

Signed by all members of the Committee.

**SCRep. 885 Finance on H.B. No. 617**

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

- (1) Examine the feasibility of establishing economic zones proximate to the route or routes of any future mass transit system on the island of Oahu, particularly in areas surrounding transit stops that are economically depressed;
- (2) Recommend parameters for the creation of mass transit route economic zones including, among other things, geographic criteria, business eligibility, and benefits and incentives such as tax credits;
- (3) Examine:
  - (A) The need for the exercise of eminent domain;
  - (B) Potential jurisdictional conflicts between the State and the City and County of Honolulu; and
  - (C) The costs of implementing mass transit route economic zones;
 and
- (4) Submit a report of its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2010.

The Hawaii Association of REALTORS® testified in support of this bill. The Department of Business, Economic Development, and Tourism testified in opposition to this measure. The Hawaii Housing Finance and Development Corporation and Department of Planning and Permitting of the City and County of Honolulu submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 617, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 617, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 886 Finance on H.B. No. 1037**

The purpose of this bill is to abolish joint and several liability of State and County governments for tort claims relating to the maintenance and design of highways.

The State Attorney General, Department of Transportation, City and County of Honolulu, and County of Hawaii supported this bill. The Hawaii Association for Justice; American Public Works Association - Hawaii Chapter; Gray, Hong, Nojima and Associates, Inc.; Hawaiian Electric Company; Hawaii Electric Light Company; Maui Electric Company; American Council of Engineering Companies of Hawaii; and Fukunaga and Associates, Inc., opposed this measure. The County of Kauai provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1037, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1037, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 887 Finance on H.B. No. 1163**

The purpose of this bill is to hold commercial harbor users responsible by authorizing the Director of Transportation (Director) to adopt rules to require private persons engaged in commercial activities at the State's commercial harbors to defend, indemnify, and hold harmless the State against all claims that arise from such use.

The Department of Transportation supported this bill with amendments. The Hawaii Harbors Users Group provided comments on this measure.

Your Committee has amended this bill by:

- (1) Broadening the scope of the measure to include any person who uses or occupies State harbor property and not just commercial users or businesses;
- (2) Further allowing the Director to condition the use or occupation of State harbor property on the waiver of any statutory or other immunity from liability that may be asserted in any way to limit a person's obligation to defend, indemnify, and hold harmless the State, and any of its agencies, officers, and employees;

- (3) Specifying that nothing in this law shall be construed to prevent the State from being held liable for any damages, costs, and expenses to the extent caused by the State's negligence or other fault, breach of contract, or failure to comply with statutory or other legal duty relating to State harbor property and paying for such damages, costs, and expenses provided there is an appropriation therefor;
- (4) Inserting a savings clause; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1163, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 888 Finance on H.B. No. 1166**

The purpose of this bill is to assist the Airports Division of the Department of Transportation (DOT) to construct capital improvement projects (CIPs) by establishing additional financing options for these projects that:

- (1) Allow for the establishment of separate accounts within the Passenger Facility Special Fund; and
- (2) Require the transfer of funds from the passenger facility charges into these accounts to pay debt service on bonds issued for the CIPs.

DOT supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion, and inserting a repeal date three years after the effective date; and
- (2) Making technical amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1166, H.D. 1.

Signed by all members of the Committee.

**SCRep. 889 Finance on H.B. No. 1168**

The purpose of this bill is to allow the Director of Transportation to adopt rules to require users or occupiers of airport land, buildings, or facilities for business or commercial purposes to defend, indemnify, and hold harmless the State against all claims, suits, and demands arising out of or resulting from the use or occupation.

The Department of Transportation testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1168, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 890 Finance on H.B. No. 1518**

The purpose of this bill is to permit towing companies to add the applicable general excise tax and county surcharge to the fees charged to the owner of a motor vehicle left unattended on private or public property without the authorization of the owner or occupant of the property.

Hawaii State Towing Association and Waialae Chevron and Tow Service supported this bill. The Department of Commerce and Consumer Affairs opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1518, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 891 Finance on H.B. No. 262**

The purpose of this bill is to expand the authority of the Insurance Division's Insurance Fraud Investigations Unit, renamed the Insurance Fraud Investigation Branch, to prevent, investigate, and prosecute, both civilly and criminally, insurance fraud beyond motor vehicle insurance cases, to all lines of insurance except workers' compensation.

The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, National Association of Insurance and Financial Advisors Hawaii, Hawaii Association of Health Plans, American Council of Life Insurers, and State Farm Insurance Companies testified in support of this bill. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 262, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 262, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 892 Finance on H.B. No. 1045**

The purpose of this bill is to make housekeeping amendments to Chapter 201H, Hawaii Revised Statutes, to:

- (1) Clarify the authority of the Hawaii Housing Finance and Development Corporation (HHFDC) to modify and amend development agreements for housing projects between HHFDC's predecessor, the Housing Finance and Development Corporation, and eligible developers;
- (2) Authorize HHFDC to establish reasonable fees to recoup program administrative expenses for processing applications for loans, grants, services, and real estate documents; and
- (3) Delete inadvertent references to "public" housing projects in the context of the HHFDC's cooperative agreements with other governmental agencies.

HHFDC testified in support of this bill.

Your Committee has amended this bill by:

- (1) Providing that the Legislature, instead of HHFDC, is to establish the amount of fees charged by HHFDC to cover administrative expenses for processing applications for loans, grants, services, and real estate documents;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1045, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 893 Finance on H.B. No. 1592**

The purpose of this bill is encourage the development of affordable housing in the state by establishing under the Hawaii Housing Finance and Development Corporation (HHFDC), a program for the leveraging of union financing for affordable housing projects.

The HHFDC testified in opposition to this bill. The Department of the Attorney General and Office of Hawaiian Affairs offered comments.

Your Committee has amended this bill by:

- (1) Inserting in the purpose section, language explaining how the establishment of a program for the leveraging of union financing for affordable housing projects is in the public interest;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1592, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1592, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 894 Finance on H.B. No. 1074**

The purpose of this bill is to update the Insurance Code by, among other things:

- (1) Clarifying the allowable insurer investments in common stocks, common trust funds, mutual funds, and exchange traded funds;

- (2) Establishing a time limit for an insurer to claim the retaliatory tax credit;
- (3) Limiting the issuance of surplus lines broker licenses to licensed producers with certain insurance lines of authority;
- (4) Allowing a limited adjuster license for crop insurance claims;
- (5) Amending the continuing education credit hours required for insurance producer license renewals; and
- (6) Making printed form filings optional for insurance rate and policy revision filings, in accordance with state plans to begin accepting electronic rate filings and payments for all lines of insurance using the National Association of Insurance Commissioners' System for Electronic Rate and Form Filing.

The Department of Commerce and Consumer Affairs and National Association of Insurance and Financial Advisors testified in support of this bill. The American Council of Life Insurers, Hawai'i Captive Insurance Council, and Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1074, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1074, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 895 Finance on H.B. No. 1167**

The purpose of this bill is to improve and modernize Hawaii's land transportation system by:

- (1) Increasing the state liquid fuel tax for all islands with a total resident population of 20,000 or more;
- (2) Increasing the state vehicle registration fee on vehicles registered on all islands with a total resident population of 20,000 or more;
- (3) Establishing the Land Transportation Modernization Special Fund (Special Fund);
- (4) Requiring the Director of Transportation to deposit \$20 from each annual motor vehicle registration fee that is increased into the Special Fund;
- (5) Increasing the vehicle weight tax and flat rate fees on vehicles registered on all islands with a total resident population of 20,000 or more;
- (6) Permanently increasing the rental motor vehicle surcharge tax from \$2-a-day to \$3-a-day;
- (7) Exempting the transfer of funds from the Special Fund from fees charged by the Director of Finance for central services expenses;
- (8) Exempting the Special Fund from administrative expenses incurred by the Special Fund;
- (9) Authorizing the Department of Transportation (DOT) to expend funds for various projects and programs dealing with land transportation improvement projects and programs;
- (10) Requiring DOT to develop one or more pilot programs to test alternatives to the current state and county motor vehicle fuel tax systems;
- (11) Allowing the Department of Taxation (DOTAX) to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT;
- (12) Allowing DOT to terminate any pilot program established at any time and requiring DOT to notify DOTAX if a pilot program is terminated; and
- (13) Requiring DOT to submit various reports to the Legislature on the status of the Land Transportation Modernization Program as well as a Vehicle Miles Traveled Pilot Program.

DOT, The Chamber of Commerce of Hawaii, People's Advocacy for Trails Hawaii, Building Industry Association of Hawaii, The Pacific Resource Partnership, Catrala – Hawaii, The Hertz Corporation, Alamo Rent A Car, Enterprise Rent-A-Car, National Car Rental, Avis Rent A Car, Budget Rent A Car, Hawaii Developers Council, and several concerned individuals supported this bill. The Department of Taxation, City & County of Honolulu's Department of Customer Services, Tax Foundation of Hawaii, and Hawaii Transportation Association submitted comments.

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

- (1) Deleting provisions establishing and referring to the Special Fund;
- (2) Removing provisions exempting the transfer of funds from the Special Fund from fees charged by the Director of Finance for central services expenses;
- (3) Deleting provisions exempting the Special Fund from administrative expenses incurred by the Special Fund;
- (4) Replacing each amount set for fee increases, cost elements, and appropriations with unspecified dollar amounts;



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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1167, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1167, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 896 Finance on H.B. No. 1362**

The purpose of this bill is to establish a licensure program for genetic counselors within the Department of Commerce and Consumer Affairs (DCCA) to ensure that individuals seeking genetic counseling receive the highest degree of quality services and professional conduct from licensed genetic counselors. This measure also provides penalties for non-compliance.

The Kapiolani Medical Center for Women and Children, March of Dimes – Hawaii, and numerous concerned individuals supported this bill. DCCA opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 897 Finance on H.B. No. 1373**

The purpose of this bill is to ensure health care access for all residents by appropriating funds for nonprofit, community-based health care providers to provide direct health care services to uninsured residents.

The Office of Hawaiian Affairs, Hawaii Primary Care Association, Kupuna Caucus of the Democratic Party of Hawaii, Healthcare Association of Hawaii, Lanai Women's Center dba Lanai Community Health, Hoola Lahui Hawaii, Waimanalo Health Center, Kalihi-Palama Health Center, and several concerned individuals supported this bill. The Department of Health opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1373, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 898 Finance on H.B. No. 553**

The purpose of this bill is to encourage the establishment of modern medical and research facilities within the state by establishing a Medical Enterprise Zone Program to initially consist of a pilot medical enterprise zone in west Maui.

The Department of Business, Economic Development, and Tourism, Department of Taxation, and Honolulu Department of Planning and Permitting submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 553, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 899 Finance on H.B. No. 994**

The purpose of this bill is to encourage the growth of the technology sector of Hawaii's economy and expand the State's tourism potential through space tourism by appropriating funds to apply for a spaceport license from the Federal Aviation Administration.

Rocketplane Global, Inc., the Hokkaido Aerospace Science & Technology Incubation Center, and two concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 900 Finance on H.B. No. 1187**

The purpose of this bill is to help provide support to homeless persons in Hawaii by establishing a voluntary program under the Hawaii Public Housing Authority (HPHA) to help eligible persons from other states who find themselves homeless, reunite with their families in their home state. This bill makes an appropriation out of the general fund to establish this program.

The Visitor Aloha Society of Hawaii and a concerned individual supported this bill. HPHA, Community Alliance Partners, and the Hawaii Tourism Association provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1187, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 901 Finance on H.B. No. 447**

The purpose of this bill is to help protect Hawaii's consumers by requiring, among other things, all payday lending, including check cashing and deferred deposit businesses to conspicuously post all rates and fees, and provide this information to each customer in writing. This bill also provides for interest-free payment plans and eliminates the exemption from the Check Cashing Law for retailers who occasionally cash checks.

The Department of Commerce and Consumer Affairs, Aloha United Way, Legal Aid Society of Hawaii, and Money Service Centers of Hawaii, Inc., supported this bill. The Hawaii Alliance for Community-Based Economic Development provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 447, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 902 Finance on H.B. No. 243**

The purpose of this bill is to help ensure a reliable source of water for farming operations in the state by authorizing the issuance of general obligation bonds, with proceeds to be deposited into the Agricultural Infrastructure Improvement Special Fund and used to fund repair and maintenance of specific irrigation systems in each county of the state, and for the Agricultural Water Use Development Plan and agricultural resource management.

A member of the Maui County Council, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Maui Land & Pineapple Company, Inc., Maui County Farm Bureau, and a concerned individual supported this bill. The Department of Agriculture, Agribusiness Development Corporation, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, and Ka'u Farm Bureau submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 243, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 243, H.D. 2.

Signed by all members of the Committee.

**SCRep. 903 Finance on H.B. No. 975**

The purpose of this bill is to provide additional flexibility to the operations of the Agribusiness Development Corporation (ADC) by authorizing ADC to acquire, or contract to acquire, by grant, purchase, or gift the real, personal, or mixed property comprising an agricultural water system to provide water for irrigation of agricultural lands. In addition, this bill:

- (1) Requires the owner of an agricultural water system that is to be acquired under this bill to provide a description of the system sufficient to identify the property being acquired; and
- (2) Exempts conveyance of agricultural water system property to ADC from county subdivision requirements.

ADC, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Kamehameha Schools, Ka'u Farm Bureau, and Kahuku Brand Matsuda Fukuyama Farms testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 975, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 975, H.D. 1.

Signed by all members of the Committee.

**SCRep. 904 Finance on H.B. No. 36**

The purpose of this bill is to clarify the nexus between the benefits sought and charges made on the users and beneficiaries of the Environmental Health Education Fund (Fund) by:

- (1) Changing the name of the Fund to the Sanitation and Environmental Health Special Fund (Special Fund); and
- (2) Allowing the use of the Special Fund for sanitation program activities.

The Department of Budget and Finance opposed this bill. The Department of Health (DOH) and DOH Sanitation Branch submitted comments.

Your Committee has amended this bill by:

- (1) Inserting an unspecified amount for the Special Fund's cap;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and

- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 36, H.D. 1.

Signed by all members of the Committee.

**SCRep. 905 Finance on H.B. No. 317**

The purpose of this bill is to respond to the medical needs of those affected by vog on the island of Hawaii by:

- (1) Requiring the Kona Community Hospital to establish a Mobile Medical Van Program to provide basic medical clinical services to South Kona, Kauī, and upper Puna areas of the County of Hawaii; and
- (2) Appropriating \$500,000 from federal Homeland Security Grant Program funds to purchase a mobile medical van, and for planning and equipment to provide medical care services.

The Hawaii Medical Service Association testified in support of this bill. The Department of Health and Department of Land and Natural Resources testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing the amount of the appropriation from federal Homeland Security Grant Program funds to purchase a mobile medical van, and for planning and equipment to provide medical care services from \$500,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee.

**SCRep. 906 Finance on H.B. No. 1782**

The purpose of this bill is to establish the Office of State Coordinator of Health Information Exchange (Office) to coordinate and oversee efforts to promote health information exchange, including development and implementation of a health information exchange network for medicaid recipients and other low-income insured residents of the state. This bill also:

- (1) Requires the Office to annually convene an e-health council which is required to develop a ten-year strategic plan for the Office and the health information exchange network; and
- (2) Establishes the Health Information Exchange Special Fund (Special Fund) for costs and expenses incurred in administering health information exchange initiatives contained in this bill.

Hawaii Medical Association supported this bill. The Department of Budget and Finance (B&F), Department of Health (DOH), Department of Human Services (DHS), Hawaii Primary Care Association, Hawaii Health Information Exchange, and Hawaii Medical Service Association submitted comments.

Your Committee has amended this measure by establishing the Office within the Department of Accounting and General Services (DAGS) instead of DOH. In addition, your Committee has amended this measure by revising various provisions and conforming this measure to the federal American Recovery and Reinvestment Act of 2009 (Recovery Act) by, among other things:

- (1) Requiring the Office to:
  - (A) Implement an integrated electronic health information infrastructure for sharing of electronic health information among health care facilities, health care professionals, payers, and patients;
  - (B) Enhance participation in secured nationwide electronic use and exchange of health information;
  - (C) Increase the adoption and use of certification commission for health information technology electronic health records and e-prescribing;
  - (D) Collaborate with DOH, DHS, health care providers, and health care facilities to ensure that all applicable federal patient privacy laws are identified and ensured through administrative rules and procedures;
  - (E) Assist patients in using health information technology; and
  - (F) By no later than January 1, 2010, begin implementation of a statewide strategic plan for health information exchanges that is consistent with the U.S. Department of Health and Human Services Office of National Coordinator of Health Information Technology;
- (2) Allowing DAGS to contract out some or all of its duties to administer the components of the Office in accordance with the Hawaii State Procurement Code, and establishing requirements, restrictions, and conditions for any such contract;
- (3) Broadening the scope of the required health information exchange network (Network) to include all residents of the state, not just for medicaid recipients and other low-income uninsured residents;

- (4) In lieu of the requirement to establish an e-health council, establishing a temporary Health Information Technology Task Force (Task Force) within DAGS to develop the ten-year strategic plan for the Office and the Network, and inserting additional required components of the plan;
- (5) Requiring the Task Force to submit annual reports to the Legislature, including the finalized strategic plan prior to the 2010 Regular Session, and repealing the Task Force on June 30, 2014;
- (6) Revising the details of the assessment that is required to be performed by DOH on the Office, the Network, and the Task Force;
- (7) Requiring DAGS to conduct a separate assessment of the Office, Network, and the Task Force;
- (8) Requiring DOH and DAGS to submit joint reports with their assessments to the Legislature, and establishing a schedule for submittal of these reports in future years;
- (9) Requiring B&F to submit a financial report to the Legislature regarding the State's health information technology efforts, and establishing a schedule for submittal of these reports in future years;
- (10) Changing the appropriations for the Special Fund to unspecified amounts to encourage further discussion;
- (11) Changing its effective date to July 1, 2046, to encourage further discussion; and
- (12) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1782, H.D. 2.

Signed by all members of the Committee.

**SCRep. 907 Finance on H.B. No. 1617**

The purpose of this bill is to facilitate the growth and expansion of research efforts at the University of Hawaii at Hilo (UH-Hilo).

This bill establishes the Office of the Vice Chancellor for Research and Economic Development at UH-Hilo, to serve as the institutional focal point for the coordination of all undergraduate and graduate science, technology, engineering, and mathematics mentorship programs and the integration of ongoing and future research projects.

The Department of Business, Economic Development, and Tourism, Kau-Keaau-Pahoa Complex Area of the Department of Education's Hawaii District, High Technology Development Corporation, Hawaii Island Chamber of Commerce, Japanese Chamber of Commerce & Industry of Hawaii, Kanoelehua Industrial Area Association, Inc., Hui Malama Ola Na Oiwī, KTA Super Stores, Kurtistown 12-Mile Kumiai Association, East Hawaii Community Development Corporation, and two concerned individuals supported this bill. The University of Hawaii and University of Hawaii Professional Assembly offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1617, H.D. 1.

Signed by all members of the Committee.

**SCRep. 908 Finance on H.B. No. 1451**

The purpose of this bill is to continue providing financial support for Hawaii's high tech industry while also mitigating revenue losses to the State by, among other things:

- (1) Extending the availability of the Technology Infrastructure Renovation Tax Credit (Renovation Credit), High Technology Business Investment Tax Credit (Investment Credit), and the Tax Credit for Research Activities (Research Credit) to December 31, 2015;
- (2) For the Investment Credit, establishing:
  - (A) A limit of \$10,000,000 on the aggregate of credits that may be claimed by taxpayers in a taxable year for investments in a single qualified high technology business (QHTB); and
  - (B) An unspecified limit on the aggregate of credits claimed in a taxable year by all taxpayers for investments in QHTBs;
 and
- (3) Establishing an Investment Credit Review Board to review taxpayer appeals in cases where the Department of Taxation (DOTAX) denies certification of a credit for investment in a QHTB that is a wholly-owned subsidiary.

DRC and International Alliance of Theatrical Stage Employees Local 665 supported this bill. The Hawaii Government Employees Association and Pacific Biodiesel opposed this bill. DOTAX; ThinkTech Hawaii, Inc.; Tax Foundation of Hawaii; PacifiCap Group; Enterprise Honolulu; Sopogy; Hawaii Venture Capital Association; Cardax Pharmaceuticals; Pacific Light & Power; Pukoa Scientific; Pipeline Micro; DataHouse Consulting, Inc.;

Natural Power Concepts; Pacific LightNet; IUE, LLC; Cellular Bioengineering, Inc.; Archinoetics; Island Film; Oceanit; NovaSol; Hawaii Science & Technology Council; OmniGreen Renewables LLC; Island Film Group; Hyperspective Studios; Monsanto Hawaii; Oceantronics, Inc.; Edutainment Resources, Inc.; Claim Check; Shinkawa Limited; Charles Michael Brotman Music, LLC; MIX808; Accuity LLP; Kobayashi Development Group, LLC; Ocean Engineering & Energy Systems, Inc.; Pacific Aquaculture and Biotechnology, LLC; Hawaii Crop Improvement Association; Superb Development & Service Corporation; Analytical Planning Consultants, Inc.; Aloha Island, Inc.; Real-Time Genomics; and numerous concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Instead of December 31, 2015, making the Investment Credit and Research Credit available up to December 31, 2011;
- (2) For taxable years beginning after December 31, 2009, inserting a limit of \$50,000,000 on the aggregate of credits claimed in a taxable year by all taxpayers for investments in QHTBs;
- (3) Deleting the Investment Credit Review Board;
- (4) Prohibiting taxpayers from claiming an income tax credit if the costs incurred or investments made for claiming the tax credit were paid for by grants or moneys received from federal, state, or county government;
- (5) Clarifying the definition of "investment" under the Income Tax Law;
- (6) Making Section 704(b)(2) of the Internal Revenue Code, with respect to a partner's distributive share, apply to allocations of the Investment Credit and the sale of high technology net operating loss pursuant to section 235-111.5, Hawaii Revised Statutes (HRS);
- (7) Beginning July 1, 2009, requiring DOTAX to assess:
  - (A) A \$5,000 fee for certain comfort letters issued by DOTAX; and
  - (B) A \$2,000 fee for certification issued under the Investment Credit or Research Credit;
 and allowing DOTAX to increase or decrease the amount of the fee; provided that no fee exceeds \$10,000;
- (8) Adding legislative appropriations as a source of funding for the Tax Administration Special Fund (Special Fund) and allowing the use of Special Fund monies for general tax administration purposes;
- (9) Changing the amount of the recapture provision under the Investment Credit from 10 to 50 percent of the amount of Investment Credits claimed in the preceding two taxable years and imposing a 100 percent recapture provision if a QHTB ceases to qualify as such due to its business activities being relocated outside of Hawaii;
- (10) Extending the deadline for the submittal of certified statements required of taxpayers claiming the Investment Credit from March 31 of the year following the investment in a QHTB to April 1;
- (11) Making Sections 6676 (with respect to erroneous refund claims), 6694 (with respect to understatements of taxpayer's liability by tax return preparer ), 6700 (with respect to promoting abusive tax shelters), and 7404 (with respect to actions to enjoin tax return preparers) of the Internal Revenue Code operative for administering the Investment Credit;
- (12) Changing the definition of a "QHTB" by specifying that to qualify as a QHTB, more than 75 percent of a business's:
  - (A) Total business activities are qualified research activities conducted in Hawaii; and
  - (B) Workforce conducting the qualified research activities is comprised of employees or independent contractors physically performing services in Hawaii;
- (13) Changing the definition of "qualified research" under the Investment Credit to mean the same as in Section 41(d) of the Internal Revenue Code;
- (14) Repealing the provisions requiring that common law principles, including the doctrine of economic substance and business purpose, apply to any investment under the Investment Credit;
- (15) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (16) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1451, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1451, H.D. 2.

Signed by all members of the Committee.

**SCRep. 909 Finance on H.B. No. 983**

The purpose of this bill is to enhance traffic safety, especially around Hawaii's schools, by requiring the Director of Transportation (Director) to:

- (1) Conduct a statewide pupil travel evaluation, through the Safe Routes to School (SRS) coordinator, to study how students get to school;
- (2) Use the information gained from the evaluation to provide funds to each school for school-based workshops and community-based planning to reduce vehicular traffic and congestion, encourage walking and bicycling, and promote health and safety;
- (3) Develop a streamlined application process for federal SRS grants; and

- (4) Submit to the Legislature a report of the results of the evaluation and the school-based workshops and community-based planning projects funded by the SRS program.

The Hawaii Bicycling League and Peoples Advocacy for Trails Hawaii testified in support of this bill. The Department of Transportation and a concerned individual opposed this measure. The Department of Education (DOE) offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the Director shall, in the Director's use of the information obtained from the evaluation to provide SRS Program funds, consult with DOE, the Department of Health, and the Hawaii Association of Independent Schools;
- (2) Removing the specification that SRS program funds for school-based workshops and community-based planning projects be provided to each school;
- (3) Requiring that funding decisions take into consideration the need to:
  - (A) Maximize the participation of stakeholder groups in the community; and
  - (B) Train volunteer facilitators for school-based workshops and community-based planning projects;
- (4) Removing the requirement that the evaluation shall use direct observation to determine the number of students using each mode of travel;
- (5) Deleting the provision that requires the Director to distribute SRS Program funds in a specific range of amounts for school-based workshops and community-based planning projects;
- (6) Clarifying that the Director consult with organizations that have received non-infrastructure and pending infrastructure grants in developing a streamlined process for the federal SRS grant program;
- (7) Specifying that upon passage of the bill, nothing in the Act shall be construed as requiring actions or omissions that would render the State ineligible to receive funds for the SRS program under the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, Public Law No. 109-59;
- (8) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 983, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 910 Finance on H.B. No. 111**

The purpose of this bill is to ensure a fair process of collecting moneys owed to the State or county by an officer, agent, or employee by establishing a two-year statute of limitations for the recovery of salary overpayment.

The Hawaii Government Employees Association and Hawaii State Teachers Association supported this bill. The Department of Accounting and General Services and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 911 Finance on H.B. No. 442**

The purpose of this bill is to increase the efficiency of the Labor and Industrial Relations Appeals Board (LIRAB) and expedite hearings on certain workers' compensation cases by allowing LIRAB to use hearings officers who may propose a decision and order for review and approval by the full appeals board.

The Department of Labor and Industrial Relations, LIRAB, and ILWU Local 142 supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 442 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 912 Finance on H.B. No. 602**

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

- (1) A partner of a partnership, if the partner is an individual;
- (2) A sole proprietor for the sole proprietorship; and
- (3) Members of a Limited Liability Company (LLC) or Limited Liability Partnership (LLP) who own 50 percent or more of the LLC or LLP.

The Department of Labor and Industrial Relations; The Chamber of Commerce of Hawaii; The Hawaii Business League; Integrated Economic Solutions, LLC.; Retail Merchants of Hawaii; National Federation of Independent Business – Hawaii; and Hawaii Independent Insurance Agents Association supported this bill. The ILWU Local 142 opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 913 Finance on H.B. No. 643**

The purpose of this bill is to protect worker rights by allowing the Contractors Licensing Board to revoke, suspend, or refuse to renew the license of a contractor who knowingly employs individuals who are ineligible for employment within the United States on public works contracts.

The Laborers' International Union of North America Local 368, ILWU Local 142, Hawaii Building and Construction Trades Council AFL-CIO, and Pacific Resource Partnership supported this bill. DLIR, the Hawaii Civil Rights Commission, and Hawaii Immigrant Justice Center opposed this measure. The Contractors License Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 643, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 914 Finance on H.B. No. 358**

The purpose of this bill is to promote the rehabilitation of convicted drug offenders through alternatives to incarceration by authorizing the placement of certain drug offenders in secure drug treatment facilities.

The Hepatitis Prevention and Support Network of Hawai'i, American Civil Liberties Union of Hawaii, and two concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 358, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 915 Finance on H.B. No. 519**

The purpose of this bill is to facilitate eventual community re-entry of inmates by requiring the return of all out-of-state inmates by December 31, 2015, and to require the Department of Public Safety (PSD) to plan, design, and construct facilities sufficient to house all inmates by this date.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. PSD opposed this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 916 Finance on H.B. No. 1051**

The purpose of this bill is to ensure the Department of Business, Economic Development, and Tourism (DBEDT) is equipped with the necessary tools to satisfactorily perform its energy emergency preparedness functions by:

- (1) Statutorily establishing the state energy emergency preparedness program's coverage of all forms of energy emergencies;
- (2) Detailing the types of information energy companies must submit to the State for energy emergency preparedness purposes;
- (3) Authorizing DBEDT to compile and analyze information, including confidential information, to effectuate the State's role and responsibilities in energy emergency planning and preparedness, mitigation, response, and recovery; and
- (4) Requiring DBEDT to comply with confidentiality requirements for information obtained for energy emergency preparedness purposes.

DBEDT and Department of Defense testified in support of this bill. The Western States Petroleum Association opposed this measure. The Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and Aloha Petroleum, Ltd., provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1051, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 917 Finance on H.B. No. 1152**

The purpose of this bill is to require the Department of Public Safety (DPS) to establish one or more accounts with one or more financial institutions to maintain the funds of inmates during incarceration and to allow inmates to use their own funds for approved expenses and purchases during incarceration. The Director of Public Safety is also authorized to designate a percentage of all funds earned by the inmate to be deposited and held in a non-spendable account to provide funds to the inmate upon release from custody. None of these accounts is interest-bearing.

DPS testified in support of this bill. The Community Alliance on Prisons, The Hepatitis Network's Prisoner Reintegration Program, the National Association for the Advancement of Colored People, and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 918 Finance on H.B. No. 987**

The purpose of this bill is to help alleviate the growing unemployment rate by creating the State Comprehensive Employment and Training Program (program) to:

- (1) Assist unemployed persons who have used all available unemployment insurance benefits to obtain employment in needed public service jobs; and
- (2) Provide subsidies for certain private employers who participate in the program by hiring and training qualified unemployed persons.

The Department of Labor and Industrial Relations (DLIR) opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion;
- (2) Specifying that the director of DLIR is to report to the legislature twenty days before the convening of each regular session on the implementation and administration of the program; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 987, H.D. 2.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 919 Finance on H.B. No. 1125**

The purpose of this bill is to:

- (1) Implement the Auditor's recommendation to reclassify certain special funds relating to the Department of Labor and Industrial Relations (DLIR) by reclassifying the Unemployment Compensation Fund, Special Compensation Fund, Disability Benefits Fund, and Premium Supplementation Fund from special funds to trust funds; and
- (2) Improve the efficiency of the DLIR's Disability Compensation Division (DCD) by appropriating funds from the Disability Benefits Fund for the automation of the Workers' Compensation, Prepaid Health Care, and Temporary Disability Insurance programs of DCD.

DLIR testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the amount of funds appropriated from the Disability Benefits Fund from \$5,000,000 for the automation of the Workers' Compensation, Temporary Disability Insurance, and Prepaid Health Care programs to an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1125, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1125, H.D. 2.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 920 Finance on H.B. No. 1390**

The purpose of this bill is to provide prompt medical treatment for injured workers by increasing fees in the workers' compensation fee schedule by which charges for medical services, care, and supplies are determined, by an unspecified percentage, starting on January 1, 2010.

The Department of Labor and Industrial Relations, ILWU Local 142, Hawaii State Chiropractic Association, Healthcare Association of Hawaii, and a concerned individual supported this bill. The City & County of Honolulu's Department of Human Resources, Property Casualty Insurers Association of America, Hawaii Insurers Council, American Insurance Association, Hawaiian Electric Company, Inc., Maui Electric Company, LTD., and Hawaii Electric Light Company, Inc., opposed this measure. The Department of Commerce and Consumer Affairs and the Department of Human Resources Development submitted comments.



Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1390, H.D. 2.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 921 Finance on H.B. No. 1550**

The purpose of this bill is to begin to address general fund revenue shortfalls by amending Hawaii's tax law to impose the state income tax on rollovers made by employees of state and county agencies and tax-exempt organizations from qualifying annuity plans and qualifying deferred compensation plans, to eligible retirement plans or individual retirement accounts.

The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the tax applies to purchases of retirement credits of the State's Employee Retirement System;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1550, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1550, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 922 Finance on H.B. No. 1676**

The purpose of this bill is to clarify Hawaii's prevailing wage law and ensure payment of prevailing wages on projects financed with special purpose revenue bonds by requiring project parties to submit a collective bargaining agreement to the Director of the Department of Labor and Industrial Relations (DLIR) which will serve as the basis for compliance with all applicable prevailing wage requirements.

Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill. DLIR testified in opposition to this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1676, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1676, H.D. 1.

Signed by all members of the Committee.

**SCRep. 923 Finance on H.B. No. 1145**

The purpose of this bill is to:

- (1) Repeal the requirement that no remnant be sold by the State to any abutting owner unless the remnant, when combined or consolidated with the abutting property, constitutes a lot acceptable to the appropriate agency of the county;
- (2) Repeal the related requirement that appropriate language be included in a remnant conveyance document to ensure compliance with applicable county ordinances; and
- (3) Authorize the proceeds from the sales of remnants to be deposited into the Land Conservation Fund.

The Department of Land and Natural Resources and Department of Transportation supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1145, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1145, H.D. 1.

Signed by all members of the Committee.

**SCRep. 924 Finance on H.B. No. 1712**

The purpose of this bill is to protect the state's marine resources by requiring the Department of Land and Natural Resources (DLNR) to:

- (1) Gather and use all available data to support the adoption of any rules to regulate the taking of uhu, weke/moana kali, and ulua/papio;
- (2) Develop a monitoring and evaluation program to determine the effects of any rules adopted; and
- (3) Develop a monitoring and evaluation program to determine the effects that runoff, sedimentation, pollution, lack or profusion of fresh water intrusion into the marine ecosystem, and the introduction of invasive species have on the ecosystem that affects the habitat and forage of uhu, weke/moana kali, and ulua/papio.

Hawaii Nearshore Fishermen and several concerned individuals testified in support of this bill. DLNR and a concerned individual opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1712, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1712, H.D. 2.

Signed by all members of the Committee.

**SCRep. 925 Judiciary on H.B. No. 310**

The purpose of this bill is to allow a court to impose sanctions on a nonprevailing party whose rejection of a decision by the Medical Claim Conciliation Panel (MCCP) resulted in litigation.

The Hawaii Medical Association testified in support of this bill. The Hawaii Association for Justice and a concerned individual opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

Because the measure principally addresses the consequences for a nonprevailing party in an MCCP hearing, your Committee has amended this measure by deleting the definition for "prevailing party" and inserting a definition for the "nonprevailing party." Your Committee has further amended this measure by:

- (1) Clarifying that the sanctions contemplated by this measure may apply not only to trial results but other results obtained through subsequent litigation, such as summary judgement; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that the effective date for this measure is set at July 1, 2020, and finds that this measure should remain under further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 310, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 310, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 926 Judiciary on H.B. No. 1636**

The purpose of this bill is to protect physicians who provide emergency medical care against unfounded lawsuits, while also protecting patients from true negligence by extending the grant of immunity from civil action to:

- (1) A licensed physician who cares for a person not yet discharged from the hospital; and
- (2) A licensed physician who provides emergency obstetrical medical care under the same conditions, where the patient has not received prenatal care or has never been a patient of the physician.

The Department of Commerce and Consumer Affairs, Queen's Medical Center, and Hawaii Medical Association supported this bill. The Hawaii Association for Justice and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Inserting its contents in a proposed new section of Chapter 671, Hawaii Revised Statutes, which relates specifically to medical tort cases;
- (2) Removing the purpose section;

- (3) Specifying that the immunity granted applies only for the physicians' acts or omissions during the period of emergency medical care;
- (4) Including a definition for "serious bodily injury";
- (5) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1636, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1636, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.  
(Representative Luke voted no.)

**SCRep. 927            Judiciary on H.B. No. 1417**

The purpose of this bill is to help preserve Hawaii's natural beauty by amending the restrictions on the use of mobile billboards to clarify that the exception only applies to self-identifying advertising used by businesses on their own vehicles and trailers used in the course of regular business operations.

Na Leo Pohai, public policy affiliate of The Outdoor Circle supported this bill. The State Attorney General (AG) provided comments.

Your Committee notes the AG's concerns and appreciates their efforts to provide analysis of this measure. Your Committee has also examined recent federal case law providing guidance on similar commercial expression restrictions, as well as similar restrictions in effect in other jurisdictions, and is satisfied that this measure would withstand a constitutional challenge. It is your Committee's view that this measure is specific and content-neutral in its restriction on expression.

Your Committee has amended this bill by:

- (1) Clarifying that the exception to the restriction imposed on mobile billboards is based on a two-part analysis; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1417, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1417, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Wakai.

**SCRep. 928            Finance on H.B. No. 1097**

The purpose of this bill is to help ensure assistance to one of the state's most vulnerable populations in a fiscally responsible manner by basing public assistance amounts under the State-funded Assistance for the Aged, Blind, and Permanently and Totally Disabled public assistance program on caseload and the total amount appropriated by the Legislature.

The Legal Aid Society of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1097, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 929            Finance on H.B. No. 1666**

The purpose of this bill is to ensure the preservation and promotion of native Hawaiian culture, history, and language as provided for in the Hawaii Constitution by requiring that the accurate, appropriate, and authentic Hawaiian names and language, including proper Hawaiian spelling and punctuation with macrons and glottal stops be included on:

- (1) All letterheads prepared by or for State or County agencies or officials, effective January 1, 2011, provided that any revision to conform any letterhead existing on or before January 1, 2011, to the requirements, may be implemented when the letterhead requires replacement or reprinting, or otherwise requires revision; and
- (2) All emblems and symbols representative of the State, its departments, agencies, and political subdivisions, effective January 1, 2011, provided that for existing symbols and emblems, conformance may be delayed until a replacement is required.

The Association of Hawaiian Civic Clubs and a concerned individual supported this bill. The Department of Accounting and General Services provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1666, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 930            Finance on H.B. No. 332**

The purpose of this bill is to allow victims of domestic and sexual violence to collect unemployment insurance benefits when the victim is separated from employment and is unable to accept otherwise suitable, available work due to domestic or sexual violence.

The Honolulu Department of the Prosecuting Attorney, the Sex Abuse Treatment Center, the Domestic Violence Action Center, the Hawaii State Coalition Against Domestic Violence, and a concerned individual supported this bill. The Department of Labor and Industrial Relations (DLIR) submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the following as good cause for not accepting otherwise suitable, available work:
  - (a) Seeking or residing in an emergency shelter, or relocating; and
  - (b) Reasonably believing employment options other than separation from employment would be insufficient to guarantee the safety of the individual or the individual's minor child;
- (2) Deleting the provision deeming an active search for employment takes place if no offered employment opportunity reasonably accommodates the individual's need to care for the effects of the domestic or sexual violence;
- (3) Requiring the certification requested by DLIR to explain how employment creates an unreasonable risk of further violence, rather than requiring an explanation that the loss of employment and continued employment is caused by the domestic or sexual violence;
- (4) Changing the effective date to July 1, 2020 to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 332, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 332, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 931 Finance on H.B. No. 1271**

The purpose of this bill is to encourage and support Hawaii's energy and food security initiatives. Its major provisions include:

- (1) Establishing a task force to review and investigate a broad range of energy and food security issues and develop an integrated energy and food policy; and
- (2) Increasing the environmental response tax from five cents to \$1 per barrel or fractional part of a barrel of petroleum product.

The Conservation Council for Hawaii, Sierra Club-Hawaii Chapter, The Nature Conservancy, Social Sciences Public Policy Center-University of Hawaii at Manoa, Aurora Research, LLC, Life of the Land, Blue Planet Foundation, Inter-Island Solar Supply, Malama Kaua'i, Maui Tomorrow, and numerous concerned individuals supported this bill. The Department of Taxation opposed this measure. Enterprise Honolulu, Tax Foundation of Hawaii, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Maui Economic Development Board, Inc., and Windward Ahupua'a Alliance provided comments.

Hawaii's unique global position in the middle of the Pacific Ocean is the basis for the State's intense dependence on the importation of both fossil fuel, for our energy needs, and food. Yet, this same geographic distinction also offers Hawaii the unique opportunity to use its abundant natural resources to produce both renewable energy and food crops. In these times of economic crisis, this should be viewed as presenting an opportunity to become innovative and bold.

Reducing Hawaii's dependence on imported fossil fuel and food should be a priority and this bill establishes a strong policy direction toward achieving energy and food security. Of greatest significance, this bill makes available resources, not merely words, to achieve this policy.

Your Committee realizes that increasing the "barrel tax" has both benefits and detriments. On one hand, the additional tax revenues will enable the State to invest in renewable energy technologies and increased food production. Not only will this lead to a reduction of revenue used to purchase imported fossil fuel and food, resulting in more revenue being spent locally, but more importantly, the investment may lead to the development of new industries and businesses that may have the potential to serve a world-wide market from a base in Hawaii. For this reason, your Committee believes that the benefits outweigh the detriments of this additional tax.

However, this additional tax will also create near-term impacts that will adversely affect the businesses and people of the State. Understandably, the increased tax will lead to a "pass-on" effect, with the price of gasoline expected to rise. The increased fuel costs will ultimately increase the costs of doing business and eventually the costs for goods and services used by Hawaii's residents. Thus, your Committee has chosen to implement a measure that is intended to reduce the price of gasoline at the pump by a non-conventional method.

To accomplish this, your Committee has amended this bill by inserting a new part IV that suspends for 36 months, the requirement that gasoline sold in the state for use in motor vehicles contains ten per cent ethanol by volume. At present, the cost of a barrel of oil is much less than the cost of a barrel of ethanol. Thus, the repeal of the ethanol content requirement is intended to result in the replacement of more expensive ethanol with less expensive oil in the refining process that produces a gallon of gasoline.

While deliberations were made on whether to include a requirement in this legislation for a roll-back of the price of gasoline to reflect the ethanol content suspension, such a provision was not included in this bill. Your Committee is confident that market forces and competition will suffice to lower the price of gasoline.

As a complementary provision, your Committee has added a section requiring the Governor to submit a petition to the federal Environmental Protection Agency seeking a waiver from the ethanol blending obligations of the United States Energy Security Act for the period of the suspension. If the waiver is not granted, the ethanol content suspension of this bill shall nevertheless apply.

Your Committee has further amended this bill by:

- (1) Renaming the tax as the "Environmental Response, Energy, and Food Security Tax" (Tax);
- (2) Substituting a blank amount for \$1 as the amount of the Tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner;
- (3) Establishing a new Food Security Special Fund (Special Fund) under the Department of Agriculture to serve as a depository of a portion of the Tax;
- (4) Clarifying and consolidating under section 243-3.5(a), Hawaii Revised Statutes, the other funds into which portions of the Tax are to be deposited;
- (5) Specifying that a portion of the Tax is to be deposited into the general fund;
- (6) Stipulating what the moneys contained in the Special Fund may be used for;
- (7) Deleting the provision in section 128D-2(a), Hawaii Revised Statutes, that triggers a suspension and reinstatement of the Tax;
- (8) Renaming the task force created under this Act as the "Hawaii Economic Development Task Force";
- (9) Altering the membership, revising the duties, and changing the expiration date of the Hawaii Economic Development Task Force;
- (10) Appropriating an unspecified amount of general funds for the operation of the task force;
- (11) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1271, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1271, H.D. 3.

Signed by all members of the Committee.

**SCRep. 932 Finance on H.B. No. 1378**

The purpose of this bill is to increase access to health care by requiring insurers, mutual and fraternal benefit societies, and health maintenance organizations to recognize advanced practice registered nurses (APRN) as primary care providers. This measure also increases APRN signature and prescriptive authorities.

The University of Hawaii System, the Healthcare Association of Hawaii, the Occupational Therapy Association of Hawaii, AARP Hawaii, and several concerned individuals supported this bill. The Hawaii Association of Professional Nurses, Hawaii Medical Association, and several concerned individuals opposed this bill. The Department of Human Services, the Department of Public Safety, the Board of Nursing (Board), the Disability and Communication Access Board, Kaiser Permanente Hawaii, Hawaii Association of Health Plans, the Hawaii Medical Services Association, the Hawaii State Center for Nursing, and Walgreens submitted comments.

Your Committee has amended this bill by:

- (1) Adding a purpose section recognizing APRNs as an essential component of the primary health care team;
- (2) Making the recognition of APRNs as primary care providers discretionary for insurers, mutual and fraternal benefit societies, and health maintenance organizations, while retaining the mandatory recognition of APRNs as participating providers;
- (3) Clarifying that the insurer, mutual and fraternal benefit society, and health maintenance organizations retain the right to determine the contracting criteria for participating providers;
- (4) Clarifying that the signatory and prescriptive authority granted in this bill is limited to the APRN's scope of practice or practice specialty;
- (5) Making the new standards for a qualified APRN to be recognized by the Board effective on October 1, 2009, instead of June 30, 2009;
- (6) Clarifying the conditions under which APRNs recognized prior to October 1, 2009, may be eligible to renew their recognition;
- (7) Making the Board, rather than the Hawaii Medical Board and the Joint Formulary Advisory Committee responsible for the oversight of the prescriptive authority of APRNs; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1378, H.D. 2.

Signed by all members of the Committee.

**SCRep. 933 Finance on H.B. No. 980**

The purpose of this bill is to ensure that the Department of Land and Natural Resources (DLNR) has the necessary tools and funding to repair and maintain the State's recreational facilities for the enjoyment of residents and visitors by:

- (1) Creating a Recreational Renaissance Special Fund (Fund) to be used to implement DLNR's Recreational Renaissance Plan;
- (2) Authorizing small boat harbor moorage fees and tariffs to be set by appraisal, and fees to be increased to better support ongoing operations and maintenance at boat harbors and parks;
- (3) Authorizing the development of Keehi Lagoon as a long-term source of revenue to support DLNR park and conservation activities;
- (4) Authorizing a limited number of commercial vessels to be moored at the Ala Wai and Keehi Boat Harbors and allowing the assessment of utility and common area maintenance fees in small boat harbors;
- (5) Providing that if projects paid for under the appropriations made under Act 118, Session Laws of Hawaii 2006, to cover the costs of recovery and remediation efforts due to the storms in February and March 2006, become eligible for federal reimbursement, those reimbursements are to be paid into the Fund;
- (6) Authorizing improvements to specific water- and land-based recreational facilities; and
- (7) Appropriating funds to implement the purposes of the Fund.

DLNR, Department of Health, Department of Business, Economic Development, and Tourism, Department of Budget and Finance, Historic Hawaii Foundation, Hawaii Rifle Association, Society for Hawaiian Archaeology, The Trust for Public Land, PAHIO Development, Inc., Outfitters Kauai, Ltd., Laborers' International Union of North America Local 368, and numerous concerned individuals testified in support of this bill. The Waikiki Neighborhood Board, Hawaii Kai Neighborhood Board, Kuliouou/Kalani Iki Neighborhood Board #2, Waikiki Area Residents Association, Hawaii's Thousand Friends, Hawaii Boaters Political Action Association, Ala Wai Harbor Ad Hoc Committee, Dr. Leisure's Friends of Makena State Park, Save Our Surf, Common Ground Hawaii, and many concerned individual opposed this measure. The Aloha Tower Development Corporation, Department of Transportation, Ocean Tourism Coalition, The Pacific Resource Partnership, Sierra Club-Hawaii Chapter, Hui Aloha Kiholo, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Including in the formula to determine the amount of fees for commercial vessels moored at small boat harbors, utility and common area maintenance fees that are already being paid by the permittee;
- (2) Clarifying that the Keehi Small Boat Harbor and Triangle Island development is authorized, and not required;
- (3) Further clarifying that the listed improvements to certain water- and land-based recreational facilities are permissible, not mandatory;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 980, H.D. 2.

Signed by all members of the Committee.

**SCRep. 934 Finance on H.B. No. 1552**

The purpose of this bill is to ensure that native Hawaiian culture continues to be nurtured and fostered by:

- (1) Authorizing the Department of Land and Natural Resources (DLNR) to issue long-term residential leases to qualified persons who currently reside in a State Living Park and those who will be identified by an approved Living Park Master Plan; and
- (2) Requiring the establishment of a Living Park Planning Council, tasked with developing the Living Park Master Plan, subject to DLNR approval, for each State Living Park.

This bill also specifies that persons currently residing in a Living Park shall not be evicted on the grounds that they lack a valid lease; provided that they are contributing at least 25 hours a month to benefit the park.

The Ko'olaupoko Hawaiian Civic Club, Ko'olauloa Hawaiian Civic Club, Ko'olaulau Hawaiian Civic Club, O'ahu Council of the Association of Hawaiian Civic Clubs, and numerous concerned individuals supported this bill. DLNR provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1552, H.D. 2.

Signed by all members of the Committee.

**SCRep. 935 Finance on H.B. No. 1766**

The purpose of this bill is to ensure the proper use and maintenance of the State's recreational boat harbors by:

- (1) Allowing the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi Boat Harbors;
- (2) Providing for future mooring fees to be established by appraisal by a state-licensed appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class eventually equaling schedule B rates over a five-year period; and

- (3) Authorizing the Department of Land and Natural Resources (DLNR) to use the request for proposals (RFP) process to enter into a public-private partnership to develop portions of Ala Wai Boat Harbor facilities that are presently under-used to maximize the revenue potential from its facilities.

A member of the Kauai County Council and several concerned individuals supported this bill. The Waikiki Neighborhood Board, Ala Wai Harbor Ad Hoc Committee, Waikiki Area Residents Association, Hawaii Government Employees Association, Common Ground Hawaii, Hawaii Boaters Political Action Association, Save Our Surf, and many concerned individuals opposed this measure. DLNR, the Ocean Tourism Coalition, Hawaii's Thousand Friends, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Providing that commercial use vessels at the Ala Wai Harbor shall not exceed 65 feet in length, specifying the maximum number of berths they are to occupy, and specifying the location of the berths;
- (2) Providing that mooring fees shall increase by any cost-of-living index increase, instead of any consumer price index increase;
- (3) Directing, instead of authorizing, DLNR to lease the fast lands and submerged lands at the Ala Wai Harbor using the RFP process;
- (4) Specifying the tax map key numbers at the Ala Wai Harbor that is presently used for harbor offices and permitted vehicular parking, as tax map key (1) 2-3-37: portion of 12, 24, 33, and 34;
- (5) Providing that the parcels at Ala Wai Harbor that are presently the site of the fuel dock facility and the haul-out and repair facility that DLNR is directed to lease, shall not be included in the RFP if they are already the subject of a prior RFP that has been approved by the Board of Land and Natural Resources;
- (6) Specifying that the permissible uses under the lease of Ala Wai Harbor shall include a minimum of not less than 120 berths for vessels, including:
  - (A) Not more than 40 berths for recreational boating activities that are also the principal habitation of the owners; and
  - (B) Not more than 30 berths for vessels issued commercial use permits;
- (7) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1766, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1766, H.D. 2.

Signed by all members of the Committee.

**SCRep. 936 Finance on H.B. No. 378**

The purpose of this bill is to allow the Department of Transportation (DOT) to obtain security services for Hawaii's airports in a fair and equitable manner and without compromising safety, by allowing DOT to award its security contracts by negotiations rather than through a bidding process.

Securitas Security Services USA, Inc., supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 378, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 937 Finance on H.B. No. 681**

The purpose of this bill is to require that not less than 40 percent of moneys allocated to the Tourism Special Fund from the Transient Accommodations Tax be used for tourism product development and cultural programs.

The Department of Business, Economic Development, and Tourism, Hawaii Business Roundtable, and Hawaii Hotel & Lodging Association opposed this bill. The Hawaii Tourism Authority and Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 681, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 938 Finance on H.B. No. 963**

The purpose of this bill is to allow funds from the Works of Art Special Fund to be used for art, artifacts, and maintenance projects for the Bernice Pauahi Bishop Museum and Iolani Palace.

The Friends of Iolani Palace, Bishop Museum, and Historic Hawaii Foundation testified in support of this bill. A concerned individual opposed this measure. The Department of Accounting and General Services offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 939 Finance on H.B. No. 819**

The purpose of this bill is to require the Family Court to waive jurisdiction and order a minor between 15 and 17 years of age, who is charged with murder in the first or second degree, to be held for criminal proceedings.

The Honolulu Police Department and many concerned individuals supported this bill. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 940 Finance on H.B. No. 690**

The purpose of this bill is to expand access to health insurance by requiring insurers to offer certain part-time employees the same group health care coverage offered to their coworkers who are regular employees, if a certain percentage of part-time employees agree to purchase the health care coverage, without the employer having to pay any portion of the premium.

This bill also requires the Insurance Commissioner to report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011 on the costs and benefits of this measure.

The Department of Commerce and Consumer Affairs, Hawaii Association of Health Plans, Hawaii Medical Service Association, and Kaiser Permanente Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 690, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 941 Finance on H.B. No. 899**

The purpose of this bill is to clarify and strengthen the authority of the Office of Hawaiian Affairs (OHA) to issue revenue bonds to obtain funding for its projects by amending the bond provisions of Chapter 10, Hawaii Revised Statutes, to reflect current government bond practices and provide increased autonomy for OHA in issuing bonds.

OHA and a concerned individual testified in support of this bill. The Department of the Attorney General commented on this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 899, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 942 Finance on H.B. No. 1015**

The purpose of this bill is to enable the Department of Hawaiian Home Lands (DHHL) to begin housing projects without having the full cost of the project on hand, by amending the law controlling trust fund expenditures to allow DHHL to incur obligations exceeding the amount in the DHHL Trust Fund (Trust Fund) when:

- (1) The Director of Finance determines that moneys to pay the obligation are expected to be received by the Trust Fund within a reasonable time; and
- (2) The expenditure is approved by the Governor.

The Department of Accounting and General Services, Hawaiian Homes Commission, DHHL, Hawaii Building and Construction Trades Council, AFL-CIO, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1015, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1015, H.D. 1.

Signed by all members of the Committee except Representative Pine.



**SCRep. 943 Finance on H.B. No. 1665**

The purpose of this bill is to ensure access to certain historic sites by prohibiting the sale of public lands on which government-owned Hawaiian fishponds are located.

The Kuli'ou'ou/Kalani Iki Neighborhood Board No. 2, Hawaii Nearshore Fishermen, Livable Hawaii Kai Hui, Maunalua Fishpond Heritage Center, and several concerned individuals supported this bill. The Office of Hawaiian Affairs, Department of Land and Natural Resources, and The Nature Conservancy of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1665, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1665, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 944 Finance on H.B. No. 541**

The purpose of this bill is to make the civil service benefits of civil service employees of the Department of Education (DOE) the same as those provided to civil service employees of other executive branch agencies until June 30, 2012.

DOE and the Hawaii Government Employees Association supported this bill. The Department of Human Resources Development opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 541, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 541, H.D. 1.

Signed by all members of the Committee.

**SCRep. 945 Finance on H.B. No. 1479**

The purpose of this bill is to obtain better information and ensure payment of fringe benefits on public works projects by requiring that:

- (1) A certified copy of a fringe benefit reporting form supplied by the Department of Labor and Industrial Relations (DLIR) be submitted weekly by the general contractor to a governmental contracting agency for review; and
- (2) An itemized list of fringe benefit costs paid for each employee by the general contractor or subcontractor be included on payroll records.

The Hawaii Building and Construction Trades Council, AFL-CIO, General Contractors Association of Hawaii, and a concerned individual testified in support of this bill. DLIR provided comments on this measure.

Your Committee has amended this bill by:

- (1) Requiring that an itemized list of the cost of fringe benefits be included on the certified payroll submitted by the general contractor rather than requiring a separate, certified copy of the cost of fringe benefits to be submitted;
- (2) Deleting language requiring DLIR to supply a fringe benefits reporting form;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1479, H.D. 2.

Signed by all members of the Committee.

**SCRep. 946 Finance on H.B. No. 215**

The purpose of this bill is to update, organize, clarify, and recodify Hawaii campaign-finance laws.

The Hawaii Transportation Association testified in support of this bill. The Campaign Spending Commission (CSC), League of Women Voters of Hawaii, Americans for Democratic Action-Hawaii, Common Cause Hawaii, and a concerned individual provided comments on this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the CSC has discretion in determining and issuing fine amounts for certain campaign spending violations;
- (2) Inserting provisions that restrict individual contributions to a non-candidate committee to an aggregate amount of not more than \$2,000 during a two-year election period;
- (3) Limiting to \$50,000 in any two-year election period the aggregate amount that a company may contribute from its treasury to the company's established non-candidate committee;

- (4) Requiring a company making contributions and expenditures greater than \$1,000 in the aggregate in a two-year election period to register a non-candidate committee with the CSC and make contributions and expenditures through the company's registered non-candidate committee;
- (5) Specifying that contribution limits to candidate committees and non-candidate committees are not applicable to a ballot issue committee;
- (6) Inserting provisions that stipulate that non-resident contributions must not exceed 20 percent of the total contributions received by a candidate or candidate committee for each two-year election period;
- (7) Stipulating that the non-resident contribution limit does not apply to a candidate's immediate family;
- (8) Providing a 30-day grace period for excess or contributions to be returned to the donor by a candidate or candidate committee;
- (9) Changing its effective date to January 1, 2010; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 215, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 215, H.D. 2.

Signed by all members of the Committee.

**SCRep. 947 Finance on H.B. No. 311**

The purpose of this bill is to improve liquor licensing by, among other things:

- (1) Allowing a liquor licensee, who cannot obtain a tax clearance but enters into and is complying with an installment plan agreement with state or federal tax agencies, to renew or transfer the licensee's liquor license;
- (2) Authorizing not more than ten percent of moneys collected from liquor licensee fines to be used to fund public liquor-related educational or enforcement programs;
- (3) Updating provisions regulating liquor license transfers to more accurately reflect the organization of modern business enterprises; and
- (4) Extending the time within which a liquor commission may grant or refuse a liquor license application following public hearing of the application.

The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui, the City and County of Honolulu, and the Hawaii Food Industry Association supported this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 311, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 311, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 948 Finance on H.B. No. 645**

The purpose of this bill is to support the cultural practice of overnight fishing at Kaena Point on Oahu by directing the Department of Land and Natural Resources (DLNR) to establish a pilot program to issue annual passes allowing Hawaii residents to fish overnight at Kaena Point while in possession of camping paraphernalia.

DLNR, Kawaihapai Ohana, and numerous concerned individuals opposed this bill. The Office of Hawaiian Affairs and a concerned individual offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 645, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 645, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 949 Finance on H.B. No. 984**

The purpose of this measure is to implement recommendations of the Hawaii Broadband Task Force to develop the State's broadband access and infrastructure.

Specifically, this measure:

- (1) Establishes the Hawaii Communications Commission (HCC) and the Hawaii Communications Commissioner within the Department of Commerce and Consumer Affairs (DCCA);
- (2) Transfers regulatory functions relating to telecommunications providers from the Public Utilities Commission (PUC) to the HCC while authorizing the PUC to continue exercising its authority until July 1, 2010;
- (3) Transfers regulatory functions relating to cable operators from DCCA to the HCC;
- (4) Establishes the Hawaii Communications Commission Special Fund (Special Fund) into which will be deposited penalties collected by the HCC to fund the operations of the HCC;
- (5) Requires DCCA to transfer four positions to service the HCC and requires up to ten additional general funded positions to be transferred to the HCC and funded from the Special Fund;
- (6) Requires the HCC to convene a working group to develop procedures for streamlined regulatory, franchising, and permitting for broadband service and technology and to report its findings to the Legislature by January 1, 2010;
- (7) Requires the HCC to begin implementing the recommendations of the working group by July 1, 2010; and
- (8) Requires the HCC to review Hawaii's laws relating to broadband and related subjects, and recommend amendments of these laws to conform to the new HCC requirements, or to facilitate implementation of those requirements.

The Department of Commerce and Consumer Affairs, High Technology Development Corporation, and Akaku: Maui Community Television supported this bill. The Hawaii Broadband Task Force, Hawaiian Telcom, tw telecom, AT&T, Honolulu Community Media Council, Community Media Producers Association, Oceanic Time Warner Cable, Olelo Community Television, and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Extending by one year, to July 1, 2011, the time by which the HCC must investigate the extent to which telecommunications services provided to residential and business customers are available from multiple providers in Hawaii and whether to reclassify those services as "fully competitive" communications services;
- (2) Exempting telecommunication carrier rates, fares, and charges, and the classifications, rules, and practices implementing such rates, fares, and charges from regulation by the HCC;
- (3) Repealing requirements that cable operators designate seven or more channels and ten percent of bandwidth capacity for the use of PEGs;
- (4) Extending the time period for which a cable franchise may be held without requiring renewal from 15 to 20 years;
- (5) Providing that the regulation for telecommunications carriers and telecommunications common carriers contained in section 2 of this bill will take effect on July 1, 2010;
- (6) Ensuring that the PUC will continue its regulation of telecommunications until the HCC takes over;
- (7) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 984, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 984, H.D. 4.

Signed by all members of the Committee.

**SCRep. 950 Finance on H.B. No. 1536**

The purpose of this bill is to mitigate some of the adverse effects on state revenue resulting from the current fiscal crisis by establishing a temporary salary freeze for certain members of the executive, legislative, and judicial branches of government.

The Senior Policy Advisor to the Governor and Department of Human Resources Development submitted comments.

Your Committee recognizes that the economic crisis we are currently experiencing is unprecedented in our State's history, necessitating the suspension of pay raises for executive, judicial, and legislative officials. In devising the method of freezing the salaries, your Committee intends to have the practical financial impact of the salary freeze imposed in a fair and equitable manner so that the officials of any single branch of government would not bear a disproportionate burden compared to the others.

Effectuating this intent through legislation has been a daunting task given the staggered effective dates of annual salary increases proposed by the Salary Commission, and the requirements of Article XVI, Section 3.5, of the Hawaii Constitution which prohibit legislative amendment of approved salary increases "unless by general law applying to all salaried officers of the State."

Your Committee believes that the framers of this constitutional requirement intended that any decrease in salary through legislative fiat be done in a uniform manner via general law, to ensure fairness and consistency. However, it has become very clear to your Committee, that this very provision which was intended to safeguard the public interest has become a barrier to the equitable application of a salary freeze in the practical sense.

In an opinion issued by the Attorney General on November 24, 2008, the Attorney General wrote:

*"... even though the terms of some legislators would expire in November 2010 and the terms of the Governor, Lieutenant Governor, department heads and deputy or assistant department heads and administrative director of the State would expire in December 2010, we believe that the approved salary recommendations of the salary commission for the full six-year period are approved as a whole. Thus, a 'suspension' of an increase in the later years, even if it coincides with a general election and new terms of office, would constitute a reduction in salary that must be enacted by general law and be applicable to all salaried officers of the State.*

*"Because the express language of article XVI, section 3.5, prohibits a salary decrease unless by general law applying to all salaried officers of the State, we believe that the salaries of all salaried officers of the State must be decreased by general law. There is no provision in either the constitutional section or in section 26-56, Hawaii Revised Statutes, addressing the suspension of a prospective salary increase. However, based upon the legislative intent to achieve fairness and consistency, we believe that suspension of salary increases must be treated the same as salary decreases." [Emphasis added.]*

Your Committee strongly asserts that it is the Legislature's prerogative to determine the manner in which fairness and consistency may be achieved through the suspension of salary increases.

As proposed by the Governor, the Executive Branch would have the starting and ending dates of the salary freeze be applied on the same days for all three branches despite the fact that the salary increases approved for the officials of the Legislative Branch apply on a calendar year basis, while the increases for the officials of Executive and Judicial Branches occur on a fiscal year basis. To have the starting and ending dates occur on the same dates would disproportionately impact officials from one branch of government, who would go without three salary increases as approved by the Salary Commission. The officials of the other two branches would go without two salary increases during that same period. In fact, if the amendment proposed by the Governor were to go into effect, the officials from a single branch of government would be required to have their salaries decreased, with no similar requirement imparted on the officials of the other two branches.

Accordingly, your Committee believes that the only way for a salary freeze to be fairly and equitably applied among all three branches of government would be to require the officials of all three branches of government to do away with an equal number of salary increases, as recommended by the Salary Commission. To achieve this legislatively, the salary freeze must be applied on staggered starting or ending points -- for the Legislative Branch, dates based on a calendar year, and for the Executive and Judicial Branches, dates based on a fiscal year.

Your Committee notes that the standard by which salary adjustments are tested to withstand constitutional muster is generally whether the difference amongst the categories of officers bear a reasonable relationship to the legislative purposes. (See, *Eielson v Parker*, 179 Conn. 552, 427 A.2d 814 (1980), cited in Attorney General Opinion to the Honorable Calvin K.Y. Say dated November 24, 2008 (Standard by which statute establishing graduated salary system for judges had to be tested was whether classification that it embodied bore reasonable relationship to legitimate state interest.)) Accordingly, it is your Committee's intention that if the different ending dates proposed in this bill are construed as a material difference amongst the categories of officers, this material difference bears a reasonable relationship to the legislative purpose of applying the salary freeze in a fair and equitable manner among all three branches of government.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1536, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1536, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 951 Finance on H.B. No. 1692**

The purpose of this bill is to break the cyclical nature of poverty and increase the supply of low-income housing by restricting state public housing tenancy, except in certain cases, to no more than five years.

Several concerned individuals testified in support of this bill. The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Catholic Charities Hawaii, Community Alliance Partners Hawaii Island Continuum of Care to End Homelessness, and a concerned individual testified in opposition to this measure. The Office of Hawaiian Affairs, Hawaii Public Housing Authority and a concerned individual provided comments on this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1692, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1692, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 952 Finance on H.B. No. 271**

The purpose of this bill is to streamline real estate transactions and facilitate public access to real estate documents by:

- (1) Permitting the registrar of the Bureau of Conveyances of the Department of Land and Natural Resources (DLNR) to accept electronic documents with electronic signatures for recording and to consider such documents as equally valid as manually signed documents; and
- (2) Requiring DLNR to establish electronic recording standards and practices.

DLNR, the State of Hawaii Commission to Promote Uniform Legislation, and Hawaii Association of Realtors supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 271 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 953 Finance on H.B. No. 1439**

The purpose of this bill is to make various amendments shaping the purpose and application of the Life Settlements Act which established consumer protections in life settlement transactions.

Coventry supported this bill. The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors, and American Council of Life Insurers opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1439, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 954 Finance on H.B. No. 593**

The purpose of this bill is to preserve Kailua's beach area for the use and enjoyment of future generations by allowing the Department of Land and Natural Resources (DLNR) to establish a temporary coastal construction moratorium along Kailua beach.

DLNR supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 593, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 955 Finance on H.B. No. 982**

The purpose of this bill is to gather information about and to assist employees who provide family caregiving services by:

- (1) Creating and appropriating funds for a family leave data collection system (Collection System) that is capable of analyzing and reporting family caregiving data for public employees; and
- (2) Requiring that a public employee, upon requesting family leave, provide evidence that the employee submitted the request and provided required data for input into the Collection System.

The Retail Merchants of Hawaii, Chamber of Commerce of Hawaii, Kokua Council, and Policy Advisory Board for Elder Affairs testified in support of this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations (DLIR), and Society for Human Resource Management Hawaii testified in opposition to this measure. The ILWU Local 142 and several concerned individuals provided comments on this bill.

Your Committee has amended this bill by:

- (1) Inserting language to include private employers and employees in the scope of the Collection System;
- (2) Changing the appropriation from general fund appropriations to appropriations from the Disability Benefits Special Fund established under section 392-61, Hawaii Revised Statutes;
- (3) Changing the expending agency from the University of Hawaii to DLIR; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 982, H.D. 3.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 956 Finance on H.B. No. 991**

The purpose of this bill is to ensure adequate access to medical care in rural, medically underserved areas of the state by establishing and appropriating funds for the Hawaii Medical Doctor Loan Program to provide financial assistance for:

- (1) Students who complete a state-approved medical school program at the University of Hawaii; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program,

who agree to practice in rural areas of the state.

The Hawaii Medical Service Association, Hawaii Primary Care Association, Hawaii Medical Association, and several concerned individuals supported this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 991, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 991, H.D. 2.

Signed by all members of the Committee.

**SCRep. 957 Finance on H.B. No. 1567**

The purpose of this bill is to encourage the establishment of health care facilities in underserved areas of the state by adding skilled nursing facilities to the businesses that may qualify for benefits under the State Enterprise Zones law.

Avalon Health Care, Inc., and a concerned individual supported this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1567, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1567, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 958 Finance on H.B. No. 183**

The purpose of this bill is to support the operations of the Hawaii Teacher Standards Board (HTSB) by:

- (1) Allowing HTSB to determine the manner by which licensing fees are collected;
- (2) Returning to HTSB the power to adopt, amend, repeal, or suspend its policies and standards;
- (3) Making permanent HTSB's authority to temporarily suspend its rules in extenuating circumstances; and
- (4) Making permanent HTSB's authority to amend licensing-related fees and set or amend other charges related to the performance of HTSB's duties.

The Hawaii Teacher Standards Board supported this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 183, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 183, H.D. 1.

Signed by all members of the Committee.

**SCRep. 959 Finance on H.B. No. 1098**

The purpose of this bill is to provide the maximum amount of assistance to people in recovery or transition periods in a fiscally responsible manner by:

- (1) Placing a 24-month limit on general assistance (GA) to households without minor dependents;
- (2) Stipulating that assistance received pending an eligibility determination for the federal Supplemental Security Income Program or successor program is not counted toward the 24-month limit;
- (3) Requiring the Department of Human Services to refer GA recipients to the Aged, Blind, and Permanently and Totally Disabled program after 12 months or upon the recipient turning 65 years old; and
- (4) Converting GA from a block grant into an entitlement program.

The Legal Aid Society of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1098, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1098, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Nishimoto.

**SCRep. 960 Finance on H.B. No. 1289**

The purpose of this bill is ensure that a well-trained workforce will be available for future construction projects by requiring all offerors and subcontractors for public works construction contracts with a total estimated contract value of \$100,000 or more to maintain or participate in a bona fide, state-approved apprenticeship program for a period of not less than six months at the time of general bidding.

The Hawaii Carpenters Union, ILWU Local 142, Laborers' International Union of North America Local 368, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations, Department of Accounting and General Services, General Contractors Association of Hawaii, Associated Builders and Contractors, Inc., Hawaii Chapter, and Building Industry Association-Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Providing a preference of five percent to all offerors for construction contracts subject to Chapter 103D, Hawaii Revised Statutes (HRS), that maintain or participate in a bona fide, state-approved apprenticeship program at the time of general bidding rather than making this a requirement for an offeror to be able to bid on a construction contract;
- (2) Making the five percent preference only applicable to contractors and removing all references to subcontractors;
- (3) Increasing the minimum applicable contract value from \$100,000 to \$250,000;
- (4) Placing the five percent preference within part X of Chapter 103D, HRS, so that only contracts under section 103D-302 or 103D-303, HRS, will be affected;
- (5) Including a provision that increases, by five percent, any bid amount submitted by an offeror bidding on construction contracts subject to Chapter 103D, HRS, if the offeror does not maintain or participate in a bona fide, state-approved apprenticeship program;
- (6) Requiring all offerors, upon award of a contract, to comply with all laws governing entities doing business in the state, including general excise tax, employment security, workers' compensation, temporary disability insurance, and prepaid health care laws and produce documentation to the procuring officer to demonstrate this compliance;
- (7) Stipulating that any offeror making a false affirmation or certification of compliance with laws governing entities doing business in this state shall be suspended from further offerings or awards;
- (8) Allowing the Attorney General to waive the requirements for contracts for legal services if the Attorney General certifies in writing that comparable legal services are not available in this state;
- (9) Requiring that information furnished by an offeror be confidential and not be disclosed to any person except to law enforcement agencies as provided under the Uniform Information Practices Act;
- (10) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1289, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1289, H.D. 2.

Signed by all members of the Committee.

**SCRep. 961 Finance on H.B. No. 1464**

The purpose of this bill is to promote alternative energy systems by:

- (1) Clarifying the application of the law requiring solar water heating systems for new single-family residential construction and the procedures for obtaining variances;
- (2) Requiring the Energy Resources Coordinator (Coordinator) to publicize all variance applications and their dispositions within a certain time frame;
- (3) Amending provisions for claiming tax credits for renewable energy technologies used in single-family residences; and
- (4) Authorizing the Public Utilities Commission (PUC) to contract with the Public Benefits Fee Administrator to develop solar water heater system standards.

The Gas Company supported this bill. The Department of Taxation, Department of Business, Economic Development, and Tourism, PUC, Tax Foundation of Hawaii, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Blue Planet Foundation submitted comments.

Your Committee has amended this measure by:

- (1) Inserting the substance of House Bill No. 429, H.D. 2, Regular Session of 2009, which requires the PUC to establish energy efficiency portfolio standards that set goals and deadlines for achieving electricity reduction;
- (2) Except for its appropriation, inserting the substance of House Bill No. 1843, H.D. 2, Regular Session of 2009, which, among other things:
  - (A) Increases the amount of an electric utility company's required renewable portfolio standard from 20 to 25 percent of the electric company's net electricity sales by December 31, 2020;
  - (B) Requires the amount of an electric utility company's renewable portfolio standard to be 40 percent of the electric company's net electricity sales by December 31, 2030;
  - (C) Prohibits all state and county agencies from issuing a permit for the construction or operation of a new electric generation facility that produces electricity solely from the combustion of a fossil fuel, with certain exemptions;
  - (D) Prohibits the issuance of certificates of public convenience and necessity for the construction or operation of a new electric generation facility that produces electricity solely from the combustion of a fossil fuel, with certain exemptions;
  - (E) Requires the PUC to evaluate renewable portfolio standards every five years, beginning in 2013;
  - (F) Requires the Coordinator to carry out certain additional duties to encourage renewable energy resource development in the state;
  - (G) Amends the definition of a "qualified business" under the State's Enterprise Zones Law to include certain businesses engaged in the development or production of fuels, thermal energy, or electrical energy from renewable resources;
  - (H) Requires the Renewable Energy Facilitator to facilitate land, construction, infrastructure, and transmission permits for renewable energy projects;
  - (I) Amends the Renewable Energy Facility Siting Process Law by:
    - (i) Expanding the definition of "renewable energy facility" to include facilities that can produce from renewable energy between five megawatts and 200 megawatts of electricity or a biofuel production facility with a production capacity of one million gallons annually; and
    - (ii) Requiring a permitting agency that did not approve or deny a permit within 12 months after approval of a completed permit plan application to report to the Coordinator all actions being taken on the permit application, within 30 days following the end of the 12-month period;

and
  - (J) Precludes electrical energy savings, beginning January 1, 2015, from counting toward renewable energy portfolio standards;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1464, H.D. 3.

Signed by all members of the Committee except Representative Ward.

**SCRep. 962 Finance on H.B. No. 1693**

The purpose of this bill is to ensure that infrastructural needs of the rapidly developing West Oahu area are met by requiring the Office of Planning (OP) to review the City and County of Honolulu's revised Ewa Development Plan (Plan).

Several concerned individuals testified in support of this bill. OP and the Land Use Research Foundation of Hawaii opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu and a concerned individual provided comments.

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

- (1) Replacing the requirement that OP review the Plan with statutory requirements for the Plan;
- (2) Adding the protection and enhancement of the recharge capability of the Honouliuli Watershed to the list of requirements that the Plan must meet;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1693, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1693, H.D. 1.

Signed by all members of the Committee except Representative Pine.



**SCRep. 963 Finance on H.B. No. 1526**

The purpose of this bill is to help consumers make informed choices at food service establishments by requiring every retail food establishment that is part of a franchise composed of ten or more establishments to maintain nutritional information on each of its standard menu items and have that information readily available to provide to the public upon request.

The Department of Health (DOH), American Heart Association, Hawaii State Nutrition and Physical Activity Coalition, American Cancer Society, and Center for Science in the Public Interest opposed this bill. The Hawaii Restaurant Association provided comments.

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

- (1) Extending the deadline by which franchise retail food establishments must comply with the provisions set forth in this bill to January 1, 2012;
- (2) Requiring franchise retail food establishments that do not provide sit-down service to provide nutritional information in a brochure or booklet made available at the point of sale;
- (3) Requiring franchise retail food establishments with sit-down service to provide nutritional information either on the table with a brochure or table tent, or in the menu next to each standard menu item, under an index, or on a menu insert;
- (4) Clarifying that nutritional information may be omitted on a drive-through menu only, and only if a clear and conspicuous notice is displayed letting the customer know that the information is available upon request;
- (5) Requiring a franchise retail food establishment to disclose calorie count information next to each menu item, either on an indoor menu board, in the menu, or on a display tag by January 1, 2012;
- (6) Adding provisions to account for the disclosure of calorie count information where a standard menu item is composed of two or more standard menu items;
- (7) Adding a provision to account for the disclosure of calorie count information where a standard menu item, not including appetizers or desserts, is intended to serve more than one individual;
- (8) Providing that this bill neither changes the existing relevant laws relating to claims, rights of action, and liabilities, nor creates a private right of action;
- (9) Adding a provision to state that franchise retail food establishments may voluntarily provide nutritional information in addition to that required by this bill;
- (10) Adding a provision prohibiting counties from enacting ordinances or rules regarding the matters covered in this bill;
- (11) Including a minimum fine of \$50 and maximum fine of \$500, payable by a franchise retail food establishment upon violation of the provisions in this bill;
- (12) Specifying that DOH is responsible for the enforcement of these provisions and the adoption of rules required to implement these provisions;
- (13) Including grocery stores and public and private school cafeterias as subject to these provisions;
- (14) Changing the definition of "franchise retail food establishment" to include any retail food establishment that is owned, controlled, or franchised by an entity whose business includes the franchising of retail food establishments under one or more franchise brands or trade names in at least fifteen states;
- (15) Clarifying the definitions of "menu board" and "standard menu items";
- (16) Changing the definition of "nutritional information" to remove grams of trans fat, grams of protein, and grams of sugar;
- (17) Including definitions for "appetizer", "calorie content information", "dessert", and "reasonable basis";
- (18) Adding a severability clause; and
- (19) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1526, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1526, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 964 Finance on H.B. No. 1538**

The purpose of this bill is to ensure the health and safety of public school students by:

- (1) Requiring the Department of Education (DOE) to use environmentally-sensitive cleaning and maintenance products (Products);
- (2) Directing the Department of Health (DOH) to establish guidelines and specifications for the Products; and
- (3) Requiring the State Procurement Office (SPO) to maintain a list of vendors where Products are available.

DOE, Sierra Club – Hawaii Chapter, several children from Kawaihahe School, and a concerned individual supported this bill. The Department of Taxation and the SPO opposed this measure. The Consumer Specialty Products Association and American Chemistry Council submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the requirement that the SPO maintain a list of contractors that provide qualified Products;
- (2) Deleting the requirement that DOE buy and use DOH-approved Products;
- (3) Establishing categories from which DOH will establish guidelines and specifications for Products for use in public school facilities; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1538, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1538, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 965 Finance on H.B. No. 1686**

The purpose of this bill is to establish a funding mechanism to ensure that charter schools receive fair and equitable funding.

The Department of Education, Office of Hawaiian Affairs, Kamehameha Schools, West Hawaii Explorations Academy Public Charter School, and a concerned individual supported this bill. The Charter School Administrative Office (CSAO) and a concerned individual offered comments.

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

- (1) Eliminate the per-pupil method of funding for charter schools, thus requiring charter schools to follow the same budgetary request process as other state agencies;
- (2) Require the CSAO to submit a report of all means of financing with its budgetary request to the Director of Finance; and
- (3) Change the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1686, H.D. 2.

Signed by all members of the Committee.

**SCRep. 966 Finance on H.B. No. 1174**

The purpose of this bill is to enable the University of Hawaii (UH) to better carry out its management obligations regarding activities and uses that take place on the Mauna Kea lands that it leases or over which it acquires control or jurisdiction.

This bill eliminates any ambiguities and uncertainty regarding UH's rulemaking powers by granting authority for the UH Board of Regents (BOR) to adopt administrative rules pursuant to Chapter 91, Hawaii Revised Statutes (HRS), relating to public activities that take place on the Mauna Kea lands. This bill also:

- (1) Authorizes the BOR to establish rents, fees, and charges relating to the lease or use of UH property as well as administrative fines for violations of any administrative rules; and
- (2) Establishes the Mauna Kea Management Special Fund for the deposit and use of these revenues.

UH, the Hawaii Island Chamber of Commerce, Japanese Chamber of Commerce and Industry of Hawaii, The Chamber of Commerce of Hawaii, Kahu Ku Mauna Council, Mauna Kea Management Board, Kanoelehua Industrial Area Association, Inc., Laborers International Union of North America Local 368, Hawaii Island Economic Development Board, Hawaii Leeward Planning Conference, and Pacific Resource Partnership supported this bill. KAHEA, Mauna Kea Anaina Hou, Sierra Club Hawaii Island Chapter, Royal Order of Kamehameha I, and numerous concerned individuals opposed this measure. The Office of Hawaiian Affairs and Mauna Kea Ranger Corps Program offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the BOR's authority to adopt rules to regulate activities at and within the Mauna Kea lands relates to public and commercial activities;
- (2) Removing the exemption from the public notice, public hearing, and gubernatorial approval requirements of Chapter 91, HRS, for the BOR's establishment and amendment of rents, fees, and charges payable in connection with the lease or use of university real property and facilities as related to the oversight and management of the Mauna Kea lands;
- (3) Adding definitions for "commercial activity" and "public activities"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1174, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1174, H.D. 3.

Signed by all members of the Committee except Representatives Choy, Keith-Agaran, Sagum and Yamashita.

**SCRep. 967 Finance on H.B. No. 1470**

The purpose of this bill is to facilitate the use of federal funds for state projects by allowing government agencies to contract with an offeror without complying with the bid, request- for-proposals, and professional-services requirements of the Hawaii Public Procurement Code (Procurement Code) when:

- (1) The procurement is funded by state and federal matching funds; and
- (2) The offeror is a U.S. General Services Administration-approved sole source vendor that is responsible for obtaining the federal funds.

A concerned individual submitted comments.

Your Committee has amended this measure by deleting its contents and inserting provisions that exempt, from the Procurement Code, contracts by government bodies to procure goods, services, or construction from a source approved as the sole source by the federal government under a grant from the federal government in any procurement funded by state and federal matching funds or by federal funds alone. As amended, this measure also contains an effective date of July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1470, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1470, H.D. 1.

Signed by all members of the Committee.

**SCRep. 968 Finance on H.B. No. 901**

The purpose of this bill is to make progress toward satisfying requirements in Article XII, sections 4, 5, and 6, of the Hawaii Constitution that a pro rata portion of the income and proceeds of the Public Lands Trust be paid to the Office of Hawaiian Affairs (OHA).

The Association of Hawaiian Civic Clubs and a concerned individual testified in support of this bill. The Department of the Attorney General, OHA, Catholic Charities Hawaii, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Deleting the dollar-value amount that represents the Legislature's re-examination and final determination of the resources that should be provided to OHA for the period between November 7, 1978, and July 1, 2008;
- (2) Changing the dates referenced for the tax-assessed value of certain properties proposed to be conveyed to OHA from 2008-2009 to 2007-2008;
- (3) Removing the provision that the land conveyed be held in trust by OHA and be transferred to the native Hawaiian nation upon its recognition by the United States and the State of Hawaii;
- (4) Clarifying that OHA may reject property to be conveyed to it on the latter of October 1, 2009, or six months after the State has provided OHA with access to certain documents and property;
- (5) Specifying the effective date of provisions excluding the conveyed land from the Kakaako Community Development District to July 1, 2014;
- (6) Changing the effective date of the remainder of this measure to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 901, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 901, H.D. 2.

Signed by all members of the Committee.

**SCRep. 969 Finance on H.B. No. 949**

The purpose of this bill is to stimulate and support commercial development on Hawaiian home lands that benefits neighboring residents and the economy, by authorizing the Department of Hawaiian Home Lands (DHHL) to lease Hawaiian home lands for terms of up to 99 years for commercial land developments.

The Small Business Regulatory Review Board; Diversified Equity Investment Corporation; Central Pacific Bank; Association of Hawaiian Civic Clubs; DeBartolo Development; D. Otani Produce, Inc.; Waimanalo Hawaiian Homes Association; Pacific Resource Partnership; K. Taniguchi, Ltd.; Malu'ohai Residents' Association; and several concerned individuals testified in support of this bill. A concerned individual testified in opposition to this measure. The Hawaiian Homes Commission and DHHL provided comments.

Your Committee has amended this bill by:

- (1) Deleting language that establishes a new section to Title 2 of the Hawaiian Homes Commission Act of 1920, that would grant DHHL the authority to negotiate and extend commercial leases for aggregate lease terms of up to 99 years and granting this same authority through amending currently existing sections of the Hawaiian Homes Commission Act of 1920;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 949, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 949, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 970 Finance on H.B. No. 1809**

The purpose of this bill is to encourage recycling of televisions in the state by:

- (1) Requiring television manufacturers to recycle covered televisions sold in the state;
- (2) Requiring television manufacturers to label covered televisions sold or offered for sale in the state with a brand, register with the Department of Health (DOH), pay registration fees, and file ongoing registration renewals;
- (3) Prohibiting retailers from selling or offering for sale in the state covered televisions that are a brand of a manufacturer that is not registered with DOH; and
- (4) Imposing penalties on television manufacturers and retailers for non-compliance with recycling and reporting requirements.

The Sierra Club, Hawaii Chapter, Retail Merchants of Hawaii, Thomson Inc., and a concerned individual supported this bill. DOH opposed this bill.

Your Committee notes the concerns raised that the requirements of this bill may create a situation in which a retailer or manufacturer is subject to both the annual registration fee of \$5,000 for covered electronic devices, pursuant to Chapter 339D, Hawaii Revised Statutes (HRS), and the annual registration fee of \$2,500 for covered televisions.

Your Committee also notes the suggestion that television manufacturers and retailers be allowed reasonable latitude to work with DOH to correct violations before being assessed penalties, such as allowed by section 339D-8, HRS. Under that provision, DOH must issue a warning notice to a person for the person's first violation of the laws regarding recycling of covered electronic devices.

Your Committee has amended this bill by:

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

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

Signed by all members of the Committee except Representative Pine.

**SCRep. 971 Finance on H.B. No. 993**

The purpose of this bill is to encourage fiscal responsibility by amending the Hawaii Constitution to set aside a portion of estimated general fund revenue increases to the Emergency and Budget Reserve Fund (Rainy Day Fund). This bill sets seven percent as the percentage activating the disposition.

The Hawaii Government Employees Association supported this bill. The Department of Budget and Finance and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Requiring that the estimated seven percent revenue increase must exist for two consecutive years to activate the disposition of:
  - (A) One percent of the general fund revenues collected in the prior fiscal year which are to be set aside as a tax refund or tax credit to taxpayers; and
  - (B) All revenues over seven percent of the estimated increase which are to be deposited into the Rainy Day Fund;
- (2) Specifying, however, that no deposit shall be made if the ending balance in the Rainy Day Fund is equal to or greater than an unspecified percentage of general fund expenditures for the prior fiscal year;
- (3) Deleting the provision allowing the Legislature to appropriate amounts previously set aside into the Rainy Day Fund for other purposes when the actual revenues fail to exceed the revenues of the previous fiscal year by at least seven percent;
- (4) Adding a purpose section; and
- (5) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 993, H.D. 2.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 972 Finance on H.B. No. 952**

The purpose of this bill is to protect an employee's right to organize and allow both public and private sector employees easier access to union representation by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board (Board) to certify an exclusive representative if a majority of the employees in a unit not currently represented has signed valid authorizations designating a bargaining representative, instead of doing so through an election process; and
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative.

The Hawaii State AFL-CIO, Hawaii Government Employees Association, Hawaii Carpenters Union, ILWU Local 142, International Brotherhood of Electrical Workers Local Union 1186, Screen Actors Guild - Hawaii Branch, Hawaii Building and Construction Trades Council AFL-CIO, Pride at Work Hawaii, Laborers International Union of North America Local 368, Hawaii Ports Maritime Council, and Hawaii Alliance for Retired Americans supported this bill. The Department of Labor and Industrial Relations; Department of Agriculture; Small Business Regulatory Review Board; The Chamber of Commerce of Hawaii; Maui Chamber of Commerce; North Shore Chamber of Commerce; Kona-Kohala Chamber of Commerce; Hawaii Crop Improvement Association; Building Industry Association of Hawaii; Activities & Attractions Association of Hawaii; Ocean Tourism Coalition; Retail Merchants of Hawaii; Associated Builders and Contractors, Inc. – Hawaii Chapter; Hawaii Hotel & Lodging Association; Pioneer Hi-Bred International, Inc.; Society for Human Resource Management – Hawaii; National Federation of Independent Businesses in Hawaii; General Contractors Association of Hawaii; Healthcare Association of Hawaii; West Hawaii Today; Hawaii Farm Bureau Federation; Hawaii Restaurant Association; Outrigger Hotels; Gyotaku Japanese Restaurants; Monsanto; Syngenta Hawaii; Hawaiian Airlines; Waikiki Beach Activities; Aloha International Employment; Bead It! Inc.; Maxwell Design Group; Maui – Molokai Sea Cruises; Noelani Condo Resort; Maui Publishing Company, Ltd.; Pono Pacific Land Management; Hawaii Hispanic News; Hike Maui; Castle Medical Center; Syngenta Seeds; Kahala Senior Living Community, Inc.; Kayak Wailua, LLC.; Valley Isle Excursions, Inc.; Midas Hawaii; Maui Divers of Hawaii, Ltd.; The Limtiaco Company; Maunalani Nursing and Rehabilitation Center; Jack's Diving Locker; REI Food Service, LLC.; Hawaii Pacific Health; Polynesian Cultural Center; and numerous concerned individuals opposed this measure. The Department of the Attorney General and the American Income Life Insurance Company submitted comments.

Your Committee notes that enactment of this Act does not preclude the use of secret ballot if both labor and management agree.

Your Committee has amended this bill by:

- (1) Authorizing the Board to make rules and determinations regarding the eligibility of employees and the validity of an employee's signature on an authorization card;
- (2) Providing that the Board rather than a conciliator will refer disputes to an arbitration panel;
- (3) Applying the union certification process to an employer with 100 or more employees;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 952, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 952, H.D. 1.

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

#### **SCRep. 973 Finance on H.B. No. 981**

The purpose of this bill is to help ensure the safety of motorists and pedestrians by resolving a number of outstanding issues in the transition to the use of ignition interlock devices by enacting recommendations made by the Ignition Interlock Implementation Task Force (Task Force) established by Act 171, Session Laws of Hawaii 2008.

The Department of Health, Honolulu Police Department, and Mothers Against Drunk Driving supported this bill. The Hawaii Insurers Council opposed this bill. The Judiciary, Department of Transportation, Prosecuting Attorney of the City and County of Honolulu, and the Task Force provided comments.

Your Committee has amended this bill by:

- (1) Adding rulemaking authority for the Department of Transportation for the purposes of the ignition interlock program;
- (2) Extending the Task Force established in Act 171, Session Laws of Hawaii, until January 1, 2011;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion;
- (4) Restoring the provision that makes refusal to submit to a breath, blood, or urine test a misdemeanor; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 981, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

#### **SCRep. 974 Hawaiian Affairs on H.R. No. 61**

The purpose of this resolution is to recognize the life and achievements of Prince Jonah Kuhio Kalaniana'ole by requesting the United States Postal Service to issue a commemorative stamp in honor of Prince Kuhio.

The Office of Hawaiian Affairs, Hawaiian Homes Commission, Department of Hawaiian Home Lands, and Maluohai Residents' Association supported this resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61 and recommends its adoption.

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

**SCRep. 975 Hawaiian Affairs on H.C.R. No. 75**

The purpose of this concurrent resolution is to recognize the life and achievements of Prince Jonah Kuhio Kalanianaʻole by requesting the United States Postal Service to issue a commemorative stamp in honor of Prince Kuhio.

The Office of Hawaiian Affairs, Hawaiian Homes Commission, Department of Hawaiian Home Lands, and Maluohai Residents' Association supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75 and recommends its adoption.

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

**SCRep. 976 Hawaiian Affairs on S.B. No. 1677**

The purpose of this bill is to require the adoption of a concurrent resolution by two-thirds majority vote of each house of the Legislature when the state administration sells, transfers, or exchanges ceded and other public lands.

The Hawaii Government Employees Association Na Koa Ikaika o Ka Lahui Hawaii, Ko'olaupoko Hawaiian Civic club, and numerous concerned individuals supported this bill. A concerned individual opposed this bill. The Department of the Attorney General, Department of Land and Natural Resources, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and several concerned individuals commented on this measure.

Several testifiers preferred a full moratorium on the sale or exchange of public lands to the approval process in this bill. However, your Committee finds that this bill provides a viable and reasonable option to a moratorium that can be moved forward through the legislative process and serve as a vehicle for continued discussion of the issues. Your Committee also finds that any procedure for consideration of the sale or exchange of ceded lands enacted by the Legislature, should include public hearings throughout the islands, on the proposed sale or exchange.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1677, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

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

**SCRep. 977 Labor & Public Employment on S.B. No. 823**

The purpose of this bill is to increase workers' awareness about their employment rights by requiring employers to post, and keep posted, notices that clearly specify the rights of employees under Hawaii's Family Leave Law.

The Department of Labor and Industrial Relations (DLIR), Department of Human Resources Development, ILWU Local 142, and a concerned individual testified in support of this bill. The Policy Advisory Board for Elder Affairs supported the intent of this measure. The Society for Human Resource Management Hawaii and a concerned individual testified in opposition to this bill. The Chamber of Commerce of Hawaii did not support this measure.

Your Committee finds that as Hawaii's population ages, more members of Hawaii's workforce may be tasked with family caregiving. Oftentimes, employees must take family leave to provide care for their family member. Knowing what is available in terms of leave benefits will allow an employee to plan ahead on how to use such leave should this need arise.

While your Committee understands the concerns raised by some small businesses as to the impact this may have on their places of employment, DLIR stated that the information regarding various employee rights and benefits that is required to be provided under this bill could simply be placed on posters currently provided by DLIR to employers. These posters could then be placed in areas accessible to all employees so that each employee is made aware of their rights and benefits.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Pine.

**SCRep. 978 Labor & Public Employment on S.B. No. 695**

The purpose of this bill is to protect the health and welfare of injured workers by ensuring that injured employees receive uninterrupted medical care, even when disputes arise over whether treatment should be continued.

The ILWU Local 142, Hawaii Government Employees Association, Iron Workers Stabilization Fund, and Hawaii State Chiropractic Association testified in support of this bill. The Hawaii Chapter-American Physical Therapy Association and a concerned individual supported the intent of this measure. The Department of Labor and Industrial Relations (DLIR), Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Hawaii Insurers Council, National Federation of Independent Businesses, Property Casualty Insurers Association of America, Chamber of Commerce of Hawaii, American Insurance Association, Maui Chamber of Commerce, Retail Merchants of Hawaii, Kaua'i Chamber

of Commerce, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., Society for Human Resource Management Hawaii, Kona Community Hospital, State Farm Insurance Companies, Archinoetics, LLC, Highway Inn, and numerous concerned individuals opposed this bill.

The workers' compensation law was established as a "no-fault" law designed to be a "win-win" situation for all the parties involved—with a worker returning to work and the employer regaining a productive employee. However, at times this system has proven to be more adversarial in nature than was envisioned.

Although obtaining proper medical treatment is the best method to return an injured employee to gainful employment in a timely and efficient manner, medical treatments are often a point of contention between the employee and employer. Your Committee finds that continuing medical treatments for an injured employee, until a decision is rendered by the Director of DLIR on the appropriateness of the treatment, is in the best interest of both the employee and employer.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Pine.

**SCRep. 979 Economic Revitalization, Business, & Military Affairs/Public Safety on H.R. No. 14**

The purpose of this resolution is to request the Adjutant General to identify the location of every public safe room in Hawaii providing suitable shelter from vog, and develop plans to establish safe rooms in additional areas that need them.

The Adjutant General supported the intent of this resolution.

Your Committee has amended this resolution as requested by the Adjutant General, by limiting its scope to Hawaii County. Accordingly, the title of this resolution has also been amended to read:

REQUESTING THE ADJUTANT GENERAL TO IDENTIFY THE LOCATION OF EVERY PUBLIC SAFE ROOM IN THE COUNTY OF HAWAII PROVIDING SUITABLE SHELTER FROM VOG AND DEVELOP PLANS TO ESTABLISH SUCH SAFE ROOMS IN ADDITIONAL AREAS THAT NEED THEM.

However, concerns were voiced that while vog has the greatest effect on Hawaii County, the measures contemplated by this resolution would be of value in other counties. Your Committee therefore respectfully requests the Committee on Finance, to which this measure is next referred, to examine whether the scope of this resolution should be broadened to include the entire state.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Public Safety that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 14, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 14, H.D. 1.

Signed by all members of the Committee except Representatives Berg, M. Lee, McKelvey, Saiki, Tokioka, Wakai and Pine.

**SCRep. 980 Economic Revitalization, Business, & Military Affairs/Public Safety on H.C.R. No. 10**

The purpose of this concurrent resolution is to request the Adjutant General to identify the location of every public safe room in Hawaii providing suitable shelter from vog, and develop plans to establish safe rooms in additional areas that need them.

The Adjutant General supported the intent of this concurrent resolution.

Your Committee has amended this concurrent resolution as requested by the Adjutant General, by limiting its scope to Hawaii County. Accordingly, the title of this concurrent resolution has also been amended to read:

REQUESTING THE ADJUTANT GENERAL TO IDENTIFY THE LOCATION OF EVERY PUBLIC SAFE ROOM IN THE COUNTY OF HAWAII PROVIDING SUITABLE SHELTER FROM VOG AND DEVELOP PLANS TO ESTABLISH SUCH SAFE ROOMS IN ADDITIONAL AREAS THAT NEED THEM.

However, concerns were voiced that while vog has the greatest effect on Hawaii County, the measures contemplated by this concurrent resolution would be of value in other counties. Your Committee therefore respectfully requests the Committee on Finance, to which this measure is next referred, to examine whether the scope of this concurrent resolution should be broadened to include the entire state.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Public Safety that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 10, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 10, H.D. 1.

Signed by all members of the Committee except Representatives Berg, M. Lee, McKelvey, Saiki, Tokioka, Wakai and Pine.

**SCRep. 981 Economic Revitalization, Business, & Military Affairs on H.R. No. 26**

The purpose of this resolution is to urge the United States Postal Service to issue stamps honoring World War II Japanese-American Nisei soldiers, other distinguished United States military units, and Americans who fought against discrimination based on race or national origin.

No testimony was received on this resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 26 and recommends its adoption.

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

**SCRep. 982 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 24**

The purpose of this concurrent resolution is to urge the United States Postal Service to issue stamps honoring World War II Japanese-American Nisei soldiers, other distinguished United States military units, and Americans who fought against discrimination based on race or national origin.

No testimony was received on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24 and recommends its adoption.

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

**SCRep. 983 Economic Revitalization, Business, & Military Affairs on H.R. No. 21**

The purpose of this resolution is to honor Sergeant Rafael Peralta's heroic actions by urging the Secretary of Defense and President of the United States to award Sergeant Peralta the Medal of Honor.

No testimony was received on this resolution.

Your Committee has amended this resolution by adding Hawaii's congressional delegation to the list of persons who are to receive a certified copy of this resolution.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 21, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 21, H.D. 1.

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

**SCRep. 984 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 19**

The purpose of this concurrent resolution is to honor Sergeant Rafael Peralta's heroic actions by urging the Secretary of Defense and President of the United States to award Sergeant Peralta the Medal of Honor.

No testimony was received on this concurrent resolution.

Your Committee has amended this concurrent resolution by adding Hawaii's congressional delegation to the list of persons who are to receive a certified copy of this concurrent resolution.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 19, H.D. 1.

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

**SCRep. 985 Finance on H.B. No. 900**

The purpose of this bill is to appropriate funds for the operating and capital improvement budget of the Office of Hawaiian Affairs (OHA) to support programs that benefit Hawaiians and native Hawaiians.

OHA testified in support of this bill.

Due to the current economic situation facing the State of Hawaii, your Committee has reduced OHA's budget by 20 percent. This results in a \$2,428 reduction for other current expenses under the Office of the Trustees, a \$293,468 reduction for other current expenses in Support Services, and a reduction of \$938,934 in contracts for the Beneficiary Advocacy Program. These amounts are for each of the fiscal years for the upcoming biennium and are the totals for both general and trust fund appropriations.

In total, OHA's budget is \$2,469,659 in general fund appropriations and \$5,810,847 in trust fund appropriations for each of the fiscal years of the upcoming biennium.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 900, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 900, H.D. 2.

Signed by all members of the Committee.

**SCRep. 986 Finance on H.B. No. 300**

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Judiciary for fiscal biennium from July 1, 2009, through June 30, 2011.



Your Committee has carefully considered the Judiciary’s budget request and sought to provide general funds to further the Judiciary’s mission of administering justice in an impartial, efficient, and accessible manner.

Given Hawaii’s current economic situation, the Governor made several key assumptions in balancing the State’s financial plan, as presented to the Legislature in December of 2008. One of these was a 20 percent reduction to the Judiciary’s operating budget.

However, as a separate branch of government, the Judiciary did not prepare for such a scenario when it presented its budget to your Committee on January 6, 2009. A second budget briefing was conducted with the Judiciary on January 29, 2009.

Your Committee on Finance instructed the Judiciary to propose reductions totaling 20 percent of its entire budget, in compliance with the Governor’s instructions. The Judiciary identified savings in the areas of guardians ad litem, juror fees, per diem judges, and purchase-of-service contracts. However, the Judiciary chose to cut just enough to justify its requests for additional funding. The resulting budget, claimed the Judiciary, would cost the State no additional moneys. However, because fiscal constraints require major cuts in state government spending, this net reduction of zero is unacceptable to your Committee.

Accordingly, your Committee was left with little choice but to find additional ways to reduce the Judiciary’s budget. In doing so, your Committee looked at the Judiciary’s operating expenses, including transportation and allowances; vacant positions; and unbudgeted positions.

Your Committee remains concerned about the Judiciary’s continued increase in spending on electricity. The Judiciary does not appear to have made any attempts to curb energy consumption. Nor does it seem to have made any serious inquiries into upgrading its facilities to increase energy efficiency. Your Committee advises the Judiciary to invest in new energy-conserving technology and work toward making its facilities more energy-efficient.

The Judiciary, the Legal Aid Society of Hawaii, The Children’s Alliance of Hawaii, and a concerned individual testified in support of this bill.

In all, your Committee is proposing a budget for the Judiciary that amounts to \$120,407,824 in general funds for fiscal year (FY) 2009-2010 and \$120,479,524 in general funds for FY 2010-2011. These amounts are approximately \$35,000,000 per fiscal year less than the budget originally submitted by the Judiciary in December 2008 for introduction.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 300, H.D. 1.

Signed by all members of the Committee.

**SCRep. 987 Finance on H.B. No. 200**

**Introduction**

The challenges currently facing Hawaii and this nation are unprecedented. When the 25<sup>th</sup> Legislature convened on Opening Day, our state faced a daunting \$1,800,000,000 revenue shortfall over a three-year period. It quickly became apparent that this extraordinary challenge had no easy solution. Experts believe that both the local and national economies will remain in a downturn for a significant period. Indeed, economists agree that this downward trend shows no signs of slowing and may well persist long enough to affect budget decisions next session.

In crafting this Executive Biennium Budget, your Committee recognizes that the solution to our current problem must involve more than cutting programs and personnel. We must also take a hard look at the basic functions of government. After all, the needs and priorities of our communities have changed. The solution to our current problem must therefore be both systemic and sustainable. In short, this unprecedented challenge is an opportunity to re-evaluate the purposes and goals of certain functions of government so that fundamental change can occur to better meet the needs of our people. However, your Committee recognizes that discussions on making fundamental change will require more time, as the Administration apparently followed a narrow approach in crafting the budget it submitted to the Legislature. Nevertheless, your Committee has taken the initial steps to encourage the Administration to examine innovative ways to deliver and revamp 20<sup>th</sup> century programs and services in a 21<sup>st</sup> century world.

This Budget, therefore:

- Addresses the critical revenue shortfall by making difficult but necessary cuts to programs and personnel; and
- Requires the re-evaluation of the purposes and goals of certain functions of government.

**Economic Outlook**

In January 2009, the National Conference of State Legislatures (NCSL) released its *Update on State Budget Gaps: FY 2009 & FY 2010*. It states that the total budget gap for all states is \$84,300,000,000. Thirty-four states project FY 2009-2010 gaps. Twenty-four of these states forecast gaps exceeding their general fund budgets by double-digits, with Hawaii, at 18 percent, forecasting the seventh largest gap.

Statistics released by the Department of Labor and Industrial Relations (DLIR) show that the jobless rate in Hawaii currently stands at 6.1 percent, the highest level for the state since April 1983. In January 2008, there were approximately 19,750 people unemployed. The unemployed population stood at 39,550 in January 2009, representing a 100 percent increase in the span of twelve months.

A March 12, 2009 article in the *Honolulu Star-Bulletin* reported that, “Hawaii climbed three notches to the No. 27 spot nationally in February” for foreclosures statewide. In February 2008, there were a total of 143 foreclosure actions taken. That number had risen to 537 by February 2009, an increase of 275 percent, according to data presented in the article.

In 2008 alone, the Bureau of Labor Statistics reported 88 mass layoffs in Hawaii including:

Company	Number of laid-off workers	Date of lay off
Weyerhaeuser	85	March 2008
Aloha Airlines	1,900	March 2008

Aloha Airlines Cargo Operations	300	March 2008
Molokai Properties Limited (Molokai Ranch)	120	March 2008
ATA Airlines	35	April 2008
Hawaii Medical Center	89	June 2008
Hawaii Health System Corporation (Kona Community Hospital)	54	July 2008
Maui Land & Pineapple	274	July 2008
Sea Life Park	44	August 2008
The Honolulu Advertiser	81	August 2008
Palama Meat Company	38	August 2008
Servco Pacific Incorporated	118	November 2008
Maui Land & Pineapple	98	February 2009
The Honolulu Star-Bulletin	17	March 2009

### Budget Overview

The current bleak economic landscape requires that your Committee take several unpopular steps toward balancing the budget. This draft of the budget represents a general fund reduction in the Governor's budget equal to \$235,819,465 for FY 2009-2010 and \$170,532,170 for FY 2010-2011.

Part of this reduction results from layoffs. This draft of the budget eliminates 374 filled positions. Your Committee takes neither pride nor joy in recommending these lay-offs, but feels that it is prudent, responsible, and necessary to begin discussion in this direction. Indeed, any layoffs will occur only after all options and alternatives have been duly examined and considered.

In selecting positions to be eliminated, your Committee worked to, whenever possible:

- Avoid impact to front-line personnel delivering services and benefits to the general public;
  - Cut excessive management and administrative layers (i.e. middle management); and
  - Eliminate exempt positions not performing core government functions (e.g. public relations, special assistants, etc.).
- In addition to these lay-offs, your Committee deleted funding for:

- Career Kokua in DLIR;
- The Disability and Communication Access Board in the Department of Health (DOH); and
- The State Health Planning and Development Agency (SHPDA) in DOH.

Your Committee found it particularly difficult to make reductions in human services, health, and education as reflected in this budget. But while these are essential services and affect our neediest, they also represent the largest portion of the State's budget. Certainly, it must be understood and emphasized that any layoffs will be the last option for consideration.

### Department and Agency Highlights

#### Department of Human Services

Your Committee is quite concerned and alarmed by wasteful contracts currently administered by the Department of Human Services (DHS). The following two, in particular, stand out as examples of potentially egregious waste and questionable business practices:

- Benton and Associates has a \$3,200,000 contract to integrate services and maximize federal revenue use within DHS. The scope of services indicates that Benton & Associates will "Develop and Implement an Integrated Human Services System." The contract was awarded in 2006 and has been renewed yearly, with annual contract increases. However, DHS staff can or should perform these services, particularly given that this staff is more knowledgeable about federal laws and department operations than hired outside consultants. The consultants' results also appear less than satisfactory.
- NorthStar, LLC, appears to have been engaging in suspect if not questionable business practices by receiving Temporary Assistance for Needy Families (TANF) funds to provide services with which they have no experience, a requirement for TANF-related contracts for services. NorthStar was initially contracted in 2006 to train and develop First-To-Work clients to ultimately become mortgage bankers. To date, none of their clients have advanced to that level, despite the fact that NorthStar has been paid \$18,000 per First-To-Work client for this training. Moreover, this is only one of several questionable contracts between NorthStar and DHS.

Additionally, there are concerns that TANF-funded contracts are not serving TANF clients. Your Committee is alarmed that DHS retains these contracts at the expense of cutting other benefits and services to the poor and needy such as reducing general assistance payments, eliminating breast and cervical cancer treatment services, and reducing the number of social workers and eligibility workers, front-line staff who are delivering essential services to the public.

Your Committee is also concerned with the current state of the Office of Youth Services (OYS) and the Hawaii Youth Correctional Facility (HYCF). In February 2006, HYCF entered into a Memorandum of Agreement (MOA) with the United States Department of Justice to improve conditions at the facility. This MOA outlined 53 areas of compliance for HYCF. Currently, HYCF is in full compliance in only 17 areas and has asked for a one year extension.

OYS and HYCF leadership has also been reluctant to provide information regarding purchase of service (POS) contracts. As all state contracts are public record, their reluctance to provide this information is troubling. Additionally, your Committee is concerned about the lack of recidivism studies for clients of OYS and HYCF as the last such study was done almost four years ago. These studies are imperative to any objective and meaningful evaluation into the effectiveness of programs and services.

#### Department of Health

Your Committee recognizes the hard work of DOH, which ensures that the State of Hawaii remains a healthy place to live and work while dealing with the harsh realities of an increasingly complex health care system.

Your Committee does not believe the reorganization plan proposed by DOH and the Governor will create either the necessary level of cost savings or increased efficiencies and, therefore, does not concur with the Governor's proposed reorganization plan. However, reconsideration of this decision may be warranted upon submission of compelling detailed analysis.

Likewise, while the reorganization plan acknowledges the critical statewide necessity of reliable and timely access to emergency medical services, your Committee believes that these medical services can be delivered in a more cost-efficient manner.

Finally, your Committee recognizes duplication of positions and management inefficiencies within DOH and has addressed these by reducing DOH general fund expenditures by \$39,536,974 per year for each year of the biennium. This reduction of approximately four percent of the DOH's annual operating budget appears warranted as nearly one-third of DOH personnel do not provide direct services to the public. The reductions will be implemented by:

- Vacancy savings. Your Committee has eliminated 240.5 non-critical positions that have been vacant for one year or more, resulting in annual savings of \$9,094,938;
- Excess filled positions. Your Committee has eliminated 298 filled positions found to be redundant management and administrative positions within DOH, resulting in annual savings of \$13,208,372;
- Purchase-of-service contract rationalization. Your Committee finds that DOH can provide health services through POS contracts more efficiently by consolidating contracts with fewer providers, negotiating additional volume discounts for services, and replacing POS contracts with services provided by state employees. These policies will achieve annual savings of \$15,481,775; and
- Other expenditures. Your Committee has scaled back miscellaneous expenditures within DOH, resulting in annual savings of \$1,751,889.

#### Hawaii Health Systems Corporation

Your Committee remains concerned about the financial and operational management of the state hospital system. Accordingly, your Committee has:

- Separated programs and budgets for each of the five regions of the Hawaii Health Systems Corporation (HHSC) (Kauai, Oahu, Maui, West Hawaii, and East Hawaii); and
- Replaced the current senior management team of HHSC with a Deputy Director of Health. This Deputy Director, among other duties, will assess the condition of the hospital system and recommend improvements to its financial and operational capabilities.

#### Department of Education

Understanding the importance of public education under these difficult fiscal conditions, your Committee took great care to maintain funding at the school level for the Department of Education (DOE), and restricted reductions for School-Based Budgeting to categorical programs, to avoid any reductions in funds for the Weighted Student Formula.

While reductions for the DOE in its entirety total over \$31,000,000 in each of the fiscal years of the upcoming biennium, reductions for categorical programs amount to less than \$4,000,000 of those amounts. Your Committee does not believe that these reductions will negatively affect the core mission of Hawaii's public schools.

Your Committee notes that these reductions are in addition to the Board of Education (Board), DOE, and the Governor's own reductions, some of which may ultimately eliminate 149 filled positions within the DOE. Restoration of these cuts was not requested by the Board or DOE, so your Committee accepted their decision and preference.

The Board took the responsible initiative to authorize reductions to the DOE, and your Committee applauds the Board's efforts to include input from the DOE budget office and school communities. However, your Committee does not support the Board's decision to use funds intended for school restructuring under the No Child Left Behind Act to restore cuts to unrelated programs. Even with all of the restructuring funds intact, the funding level would not be adequate for the number of schools that need restructuring, and your Committee fears a reduction in these funds will further hinder DOE's efforts to achieve progress toward its educational goals. The Board must be more conscientious when deciding to move funds from one area to another.

Your Committee is concerned by both recent audits of DOE's procurement procedures (*Procurement Audit of the Department of Education: Part 1 and Part 2*, Report Nos. 09-03 and 09-04, February 2009 by the Hawaii State Auditor). Disregard of the potential for financial mismanagement is never acceptable, and the current economic situation makes it intolerable. Credit should be given to the Superintendent for acknowledging current shortcomings and embarking upon addressing the weaknesses disclosed in the Audit. Your Committee will continue to monitor the progress of the DOE and work with the DOE to resolve these issues and adopt procurement best practices.

Given the State's current fiscal constraints, your Committee finds it troubling that charter schools continue to push for dramatic increases in funding, apparently believing themselves to be exempt from the financial hardships other state departments are forced to endure. Your Committee notes that charter schools were one of only two areas of state government that did not face any reductions in their budgets last year. Additionally, in their budget submittal for the upcoming biennium, charter schools ignored a directive from the Governor that all departments submit reduction scenarios and that no department was to request an increase in operating expenses. Rather, the charter schools proceeded to request additional amounts of \$14 million for FY 2009-2010 and over \$22 million for FY 2010-2011. Your Committee has denied those requests for additional funding based on the understanding that, during times of financial crisis, the burden of sacrifice must be shared by all.

University of Hawaii

The University of Hawaii System (UH System) plays a critical role in laying the foundation for the future of our State. Education is a powerful tool for all individuals to improve their situations and those of their families and their communities. Thus, continued support of the UH System will increase the growth and prosperity of the State.

Perhaps as a direct result of these difficult economic times, the UH System is experiencing record highs in enrollment. The largest increase is at the community college level, where enrollment has swelled by 9.4 percent. Across the entire UH System, enrollment has risen 5.6 percent. This enrollment surge, coupled with built-in annual tuition increases, should result in an influx of funds into the Tuition and Fees Special Fund. These increases will allow the UH system to offset a \$35,000,000 reduction in general funds for each fiscal year. The ability of the UH System to absorb this amount of general fund savings has allowed it to become one of the leaders during these tough economic times.

Your Committee also recognizes the importance of educational programs that allow more of Hawaii's youth to remain in the islands to pursue their career goals. The College of Pharmacy at the University of Hawaii at Hilo is the only one of its kind in the state. Between 900 and 1,200 students apply for admission to that college each year, although only 90 are admitted per class. The College of Pharmacy is currently in the final stages of obtaining full accreditation. To support this effort for full accreditation for the college, your Committee has appropriated funding for fourteen positions and \$2,083,136 in special funds for FY2010, and funding for an additional sixteen positions and \$2,187,609 in special funds for FY2011.

Department of Business, Economic Development, and Tourism

In an attempt to promote Hawaii's efforts to increase energy independence and alternative-energy programs, your Committee has provided DBEDT ample means and support over the years to formulate a strategic plan with key measurements. Despite this financial support, however, DBEDT has been unable to provide a clear plan with specific performance measures and goals. Therefore, the approval of any further funding for the Clean Energy Initiative as currently proposed would be irresponsible.

Furthermore, this prolonged ineffectiveness and lack of mission have prompted your Committee to reorganize DBEDT to ensure that specific current programs can continue to flourish under new direction more in line with its core goals and functions.

Your Committee made the following program transfers out of DBEDT:

- The Hawaii Housing Finance and Development Corporation back to DHS;
- The Small Business Regulatory Review Board, Research and Economic Analysis Division, and the High Technology Development Corporation to the Department of Commerce and Consumer Affairs (DCCA);
- The Foreign Trade Zone and Aloha Tower Development Corporation to the Department of Transportation's (DOT) Harbor Division;
- The Hawaii Community Development Authority and the Land Use Commission to the Department of Land and Natural Resources (DLNR); and
- The Creative Industries Division and the Hawaii Film Studio to the State Foundation on Culture and the Arts.

Department of Public Safety

Your Committee recognizes the importance of maintaining public safety and the difficulties currently facing the corrections industry. Over 2,000 of Hawaii's inmates remain incarcerated in mainland prisons at a total cost of \$66,256,512 per year. Over the past few years, the Department of Public Safety (PSD) achieved a savings of \$7,655,524 by using excess funds to purchase additional contracted bed space. Your Committee has identified this excess as a one-time savings for the general fund.

Your Committee was unwilling to remove funds from local prison systems beyond the reductions proposed by the Governor. However, excess administrative positions not located in individual prison systems were evaluated. In total, your Committee realized an additional reduction of eleven positions and \$1,408,399 for FY 2009-2010 and \$2,102,988 for FY 2010-2011.

Department of Land and Natural Resources

Your Committee understands the importance of conservation and the protection of Hawaii's unique natural resources. However, our current unfavorable fiscal conditions prevent many of the cuts proposed by the Governor from being restored. Specifically, funding for DLNR's Division of Conservation and Resources Enforcement, after being expanded by Legislative appropriation last year, must now be reduced by \$1,325,801.

The Governor also reduced funding for the Parks Administration and Operation Program by \$1,176,696, eliminating lifeguard services at Keawa'ula beach and Ka'ena Point State Park, and potentially forcing park closures statewide. Your Committee searched diligently for alternative sources of funding, but reluctantly agrees with the Governor's recommendations.

However, your Committee was able to restore the Governor's proposed cuts for the Aquatic Resources Program and water resources programs that combined to a total of \$1,395,373. The areas restored include regional stream studies, bottomfish surveys, coral reef studies, coastal stock enhancement, and opae ula studies.

Department of Agriculture

In a year of fiscal hardship, your Committee recognizes the delicate balance required between budget reductions and maintenance of essential services to allow the agriculture industry to remain viable and continue to grow. The Governor's proposal cut the budget of the Department of Agriculture (DOA) by \$2,000,000 through reductions in vacant positions and operating expenses.

Creativity and out-of-the-box thinking has allowed your Committee to help DOA to realize general fund savings with no impact to services. Because of the increase in the Pest Inspection, Quarantine, and Eradication Fund, the Plant Industry Division was able to retain staff and fund programs slated for cuts, including coqui frog eradication. Additionally, your Committee transferred the Division of Measurement Standards out of DOA to DCCA.

#### Department of Transportation

DOT provides essential services to the state including the maintenance and operation of Hawaii's public airports, commercial harbors, and highways - basic duties that a state must provide its residents. Because DOT is not funded by general funds, it is relatively easy to be unconcerned with its budget. However, while general funds are the primary focus of scrutiny during difficult economic times, it is important to realize that all budgets, including those funded by special funds, must be carefully reviewed. The taxpayers do not appreciate the technical distinction and all public funds should undergo equal scrutiny and oversight.

Specifically, your Committee finds it troubling that the Highways Division faces significant payroll shortfalls and herein request a better explanation and justification that heretofore has been proffered. With the amount of resources and number of personnel available to this division, there is no excuse for this mismanagement of payroll.

#### Department of Labor and Industrial Relations

Securing savings from the Department of Labor and Industrial Relations (DLIR) proved to be difficult. The majority of programs and services in DLIR are either fully or partially funded by federal dollars. As a result, many programs in DLIR must meet federal requirements, which is why your Committee has respectfully disagreed with the Governor's proposal to abolish positions from the Hawaii Occupational Safety and Health Division (HIOSH). To maintain the safety and well-being of our state's employees and residents, HIOSH must be able to operate effectively and efficiently to confirm the safety of elevators and boilers, and to ensure that workplace and construction sites are as safe as possible.

While potentially life-saving programs must be protected in these difficult times, redundant programs should be reduced or eliminated. Your Committee has eliminated the Career Kokua program, "Hawaii's Career Information Delivery System", which provides a database for career exploration and skill assessment. This function is mirrored by [hirehawaii.com](http://hirehawaii.com), a job-seeker website service maintained by the Workforce Development Division in DLIR and supplemented by One-Stop Career Centers located throughout the islands.

#### **Capital Improvement Project Program**

In light of the economic downturn both statewide and nationwide, your Committee has remained mindful of the need to stimulate our economy through capital improvement projects (CIPs) while maintaining an affordable level of debt. Your Committee has crafted the Executive Biennium Budget to preserve future funding for infrastructure projects, programs, and services, while also alleviating the financial burden on future generations.

Your Committee approached the budget prudently, carefully assessing each project, cognizant of the need to produce a comprehensive budget to help generate economic growth and reduce debt service obligation. As a result, your Committee has appropriated funding not only for those projects that can be executed immediately, but also for those that have the most potential for substantial and diverse job creation. Your Committee has also taken into account the extent of each department's individual needs, considering their repair and maintenance backlogs while giving special consideration to those projects required for health, safety, and compliance requirements.

While anxiously anticipating federal funding through the American Recovery and Reinvestment Act of 2009 (ARRA), also known as the federal stimulus package, your Committee notes the uncertainty of specific funding mechanisms and allocations. As such, your Committee crafted a comprehensive CIP budget that will not only help spur our economy, but will be in a position to supplement and enhance the effectiveness of ARRA funding.

This year, the Administration requested a total of \$955,155,000 in general obligation (G.O.) and general obligation reimbursable (G.O.R.) bond-funded projects and a total of \$2,952,862,000 for all means of financing. Given current economic conditions, your Committee has attempted to address debt service obligations by reducing the amount of G.O. and G.O.R. bonds appropriated, funding a total of \$881,279,000 over the biennium. This reduction in G.O. and G.O.R. bond appropriations will result in general fund debt service savings. In all means of financing, your Committee has approved \$3,361,412,000 over the biennium. While this is a slight increase from the amount requested in the Administration's budget, your Committee has dedicated these funds to crucial projects, with a large portion being provided to certain departments with the flexibility to seek alternative financing options which may, in turn, further reduce debt service obligations.

Despite challenging economic times, your Committee remains dedicated to the needs of our education system. Your Committee has funded those projects necessary for health, safety, and compliance requirements, as well as those most needed to address repair and maintenance backlogs. In addition, your Committee has funded large construction projects to ensure the future growth and prosperity of our schools. Your Committee has appropriated a total of \$287,076,000 for various DOE school projects and whole school renovations. Also included is a \$20,000,000 increase over the Administration's budget for repair and maintenance projects.

Similarly, your Committee has appropriated a total of \$206,553,000 in G.O. and G.O.R. bond-funded projects for the UH System, including a \$10,000,000 increase over the Administration's budget for repair and maintenance projects. The sum of \$568,487,000 was also appropriated for projects financed with all means of financing, including \$28,132,000 in revenue bonds and \$12,660,000 in G.O. bonds for a long overdue Information Technology Center to serve not only the entire UH System, but potentially the State as well. Additionally, given the uncertainty of the credit market, your Committee has provided a \$225,402,000 revenue bond authorization and appropriation to match a \$10,900,000 federal fund appropriation for the Cancer Research Center of Hawaii (CRCH), allowing the University to seek the most affordable financing options to ensure the future of CRCH.

In addition to education, your Committee has also attempted to address the need for affordable housing, appropriating \$30,000,000 over the biennium for the Rental Housing Trust Fund and \$20,000,000 for the Dwelling Unit Revolving Fund. Also included in the budget is \$33,000,000 for a senior residence project to provide affordable rental units to our elderly community. Your Committee made further efforts to improve the condition of our affordable and public housing facilities, appropriating \$10,000,000 for the Hawaii Public Housing Authority to help address its repair and maintenance backlog and provide additional affordable housing options for low income persons.

During these desperate economic times, perhaps the most important area in need of funding is health care. Thus, your Committee has provided \$81,590,000 in all means of financing to address health care needs and facilities statewide. Of this total, nearly \$40,000,000 has been provided to HHSC to assist in its efforts to improve our community hospitals and provide adequate health care to our entire state population.

#### **Budget Timeline**

On July 11, 2008, the Department of Taxation announced that "State Tax Revenues in Fiscal Year 2008 Reach All-Time High of \$4.6 Billion." In a press release, the Governor declared that, "Hawai'i is fortunate that its fiscal picture continues to demonstrate growth, albeit less than the 3.3 percent growth projected by the Council on Revenues (Council) in late May." Unfortunately, not mentioned was the combined projected revenue shortfall for FY 2008-2009 and the upcoming biennium shortfall of nearly \$1,000,000,000. The Administration's pronounced upbeat declarations belied the harsh fiscal reality facing the State and its citizens.

In preparing its budget submittal, the Administration distributed Finance Memorandum No. 08-09, issued on August 26, 2008, to its departments advising that:

*"The focus should be determining the level of essential services and the core functions of your department. Programs with lower priority should be identified for possible reduction or elimination. Many programs have received substantial funding increases since FB 2005-07 during a period when revenue growth was robust. Critical review of these new or expanded programs is now necessary."*

Pursuant to Article VII, Section 8 of the Hawaii State Constitution, the Governor submitted a budget and financial plan to the Legislature on December 22, 2008. This proposal was based on the October 2008 Council projection which predicted that general fund revenues for FY 2008-2009 would decrease by one-half percent, while increasing by three and one-half percent in FY 2009-2010 and by four and one-half percent in FY 2010-2011.

A review of this initial December plan and January's proposal reveals several glaring weaknesses:

- The budget did not include a projected increase of 29 percent, or \$48,000,000 per year necessary to maintain health benefits for state employees and retirees at current levels;
- The Governor's financial plan submitted in December relied on transferring \$36,000,000 to the general fund from the Beverage Container Deposit Special Fund, the state's recycling program (page vii, from *The FB 2009-11 Executive Biennium Budget – Budget in Brief* dated December 2008). However, the actual legislation submitted by the Governor in House Bill 1066 in January only identified \$10,000,000;
- The Governor's proposed use of \$75,000,000 from the Emergency and Budget Reserve Fund (EBRF) to balance the budget, even though these funds maintain the State's solid credit rating. In the "Comprehensive Annual Financial Report", the money in the EBRF and the Hawaii Hurricane Relief Fund is identified as "unreserved fund balances," or cash on hand available for any purpose;
- The Governor's financial plan relied on approximately \$56,000,000 in revenue assumptions that include publishing the names of the "Top 50 Tax Scofflaws" and collecting money from the "cash economy" even though these enforcement activities are or should already be occurring; and
- The Governor's budget was based on cuts taken in the "discretionary budget" of Executive Branch agencies which includes only 20 percent of the entire Executive Branch budget, even though the Governor assumes that 100 percent of the budgets of the Judicial Branch, Legislative Branch, and Office of Hawaiian Affairs is "discretionary" for the purpose of cuts.

During the Administration's financial plan informational briefing on January 5, 2009, the Director of Finance was questioned by the Chairman whether the Administration expected the Council to lower its projections. The Director stated that the Administration had contingencies in case the Council revised its projection downward on January 9, 2009 and that she would be able to provide a revised financial plan on or about January 16, 2009.

On January 9, 2009, the Council did in fact lower its projections by three and one-half percent for FY 2008-2009, while predicting one percent growth for FY 2009-2010, and three and one-half percent growth for FY 2010-2011. This resulted in an additional projected revenue loss of approximately \$150,000,000 for FY 2008-2009 and created a projected shortfall of approximately \$1,300,000,000 for the upcoming biennium.

On January 21, 2009, your Committee held an informational briefing on the Administration's financial plan expecting to learn specifically how the Administration would deal with this revenue decrease. Instead, the Director of Finance merely suggested different options, stating that the Governor had made no commitments to any of the suggestions. In other words, the Administration presented the Committee a laundry list that included salary reductions, furloughs, tax code changes, Hawaii Hurricane Relief Fund transfers, special fund sweeps, legalized gambling proposals, and increasing taxes.

On January 27, 2009, your Committee received a memorandum from the Director of Budget and Finance that provided details on how the Administration would close the budget gap in FY 2008-2009, but there were no details for the upcoming fiscal biennium.

Despite assurances that the Administration was willing to work with the Legislature to address the additional shortfall, your Committee received no specific updates until the Governor unveiled a revised financial plan on March 4, 2009.

Unfortunately, elements of this plan proved to be even weaker and more unrealistic than elements of the financial plan submitted in December 2008.

In a press release on March 4, 2009, the Governor stated that she intends to balance the budget by:

- Using \$320,000,000 in Federal Medical Assistance Percentage (FMAP) available through the ARRA;
- Redistributing a portion of the Tobacco Settlement funds (H.B. No. 1731);
- Transferring tobacco tax revenue to the general fund (H.B. No. 1732);
- Advancing the general excise tax filing date (H.B. No. 1735);
- Removing the exemption for central services and administrative fees for certain special funds (H.B. No. 1740);
- Transferring the interest earned on certain special funds to the general fund (H.B. No. 1733);
- Discontinuing employer-funded group life insurance;
- Seeking a \$96,000,000 reduction to the Hawaii Employer – Union Health Benefits Trust Fund (EUTF) health benefits plan; and
- Reducing the high technology tax benefits in Act 221, SLH 2001, as amended, to 50 percent of their value.

Your Committee notes that:

- The actual amount of any FMAP increase is unclear, as unemployment adjustments seem to affect the totals. Additionally, preliminary estimates apportioned \$360,000,000 to Hawaii, \$40,000,000 more than the Governor's estimate;
- Several of the bills relied upon to increase revenue by \$99,000,000 had public hearings, but were not passed out of committee. It's unclear how the Governor proposes to advance these bills without the amendment of numerous House and Senate rules, bringing into question the value of the current legislative process. The fact that none of the referenced House Bills were requested for introduction by the Governor suggest that those ideas were not a part of the Governor's initial or amended plans; and
- Your Committee finds that basing a financial plan on ongoing "negotiations," with respect to the proposed \$96,000,000 cut in benefits via the EUTF, is a questionable approach to balancing a budget. The Legislature should not enter into the exclusive providence of the Executive branch.

It is unfortunate that the Governor has chosen to include over \$200,000,000 in unrealistic revenue assumptions in her financial plan.

Your Committee has no desire to balance the budget on dead bills or dubious assumptions. While some of the resultant decisions are difficult and may be unpopular, your Committee feels that they represent an honest and prudent course of action.

Your Committee realizes that no one could have predicted the severity of the current economic crisis, but there were warning signs that the recent economic expansion was unsustainable. Your Committee openly spoke about moving ahead with caution and promoted the alignment of recurring revenue with recurring expenditures noting the structural deficits that could follow if these two were not aligned. Some in the Administration vehemently disagreed, with the Director of DBEDT saying in the *Honolulu Star-Bulletin* on July 22, 2007, that members of the Legislature were providing a "gloomy assertion." The Governor further claimed at a press conference on September 12, 2008, that the direction of the economy is "right on target". Yet the Council consistently revised its projections downward in 2008. Your Committee is encouraged that on March 4, 2009, the Governor finally acknowledged that, "We can't spend money we don't have."

#### Federal Stimulus Package

The federal American Recovery and Reinvestment Act will provide additional resources that will certainly help the State address its budgetary difficulties. While the exact amounts have yet to be determined, your Committee included amounts to the best of its understanding.

It is anticipated that the enhanced FMAP provided to the State's Medicaid program will increase the federal government's reimbursement by millions of dollars. Your Committee's latest estimates include approximately \$136,000,000 for FY 2009-2010 and \$68,000,000 for FY 2010-2011 in this area alone.

This funding has had a significant impact on retaining several programs that serve those in need, including the restoration of the following cuts made by the Governor in her budget submittal:

- Adult Dental Care (Act 160, SLH 2006) provides services to a monthly average of 15,000 adults and would no longer exist were it not for the federal Medicaid stimulus funds; and
- Keiki Care (Act 236, SLH 2008) provides gap insurance coverage for infants and children under age 19. Two positions slated for reduction were recovered because of ARRA money.

Also, the receipt of additional Medicaid reimbursements for the Developmental Disabilities Program in DOH will allow your Committee to reduce DOH's general fund expenditures by \$12,852,955 in FY 2009-2010 and \$6,426,478 in FY 2010-2011, while maintaining these vital services.

With a provision in ARRA for medical-records modernization, your Committee has provided HHSC with \$5,000,000 for FY 2009-2010 and \$2,500,000 in general funds for FY 2010-2011 to be matched by federal stimulus funds of \$45,000,000 for FY 2009-2010 and \$22,500,000 for FY 2010-2011. These funds should help automate medical records and modernize critical operational systems for HHSC.

#### Conclusion

It is important to realize that this House Draft of the Executive Biennium Budget represents one step in the deliberative legislative process. Given the current economic uncertainty, it is imperative to consider every available option, and your Committee hopes that, at the very least, the door has been opened for discussion on several of these difficult topics in the near future. The difficult decisions can only be delayed but cannot and will not be denied.

On March 12, 2009, the Council revised their forecast downward again, projecting another two percent decrease for FY 2008-2009, half percent decrease for FY 2009-2010, but an increase of one and a half percent for FY 2010-2011. These revised projections result in a revenue loss of approximately \$90,000,000 for FY 2008-2009 and has increased the shortfall for the upcoming biennium by approximately \$170,000,000.

Only a collaborative effort will pull the state out of these difficult times, and your Committee looks forward to working with the Senate and the Executive Branch to find a responsible and honest resolution to address economic realities and produce a balanced State biennium budget.

In total, this budget amounts to \$5,125,494,687 in general funds and \$10,310,629,181 in all means of financing for FY 2009-2010 and \$5,293,484,531 in general funds and \$10,432,342,376 in all means of financing for FY 2010-2011. As a point of reference, these amounts are each lower than the amount approved in the previous budget, Act 158, Session Laws of Hawaii 2008, which appropriated \$5,318,212,647 in general funds for FY 2008-2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

The purpose of this bill is to bring impartiality to the independent medical examination (IME) and permanent impairment rating examination (PIRE) process in the workers' compensation system by:

- (1) Requiring that mutually agreed-upon physicians be used to conduct IMEs or a PIRE; and
- (2) Establishing a process for the appointment of a physician to conduct an IME or PIRE if the parties cannot mutually agree on a physician to conduct the IME.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii State AFL-CIO, Hawaii Injured Workers Alliance, Vocational Management Consultants, Hawaii State Chiropractic Association, Hawaii Chapter-American Physical Therapy Association, and several concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Retail Merchants of Hawaii, American Insurance Association, Hawaii Insurers Council, Chamber of Commerce of Hawaii, Hawaii Independent Insurance Agents Association, Maui Chamber of Commerce, Kaua'i Chamber of Commerce, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., State Farm Insurance Companies, ABC Stores, Kona Community Hospital, Archinoetics, LLC, Highway Inn, and numerous concerned individuals testified in opposition to this bill. One concerned individual commented on this measure.

The workers' compensation law was established as a "no-fault" law to provide an injured worker medical treatment necessary to allow the worker to return to work. In return, the injured worker gives up the right to sue the employer. This system appeared to be a "win-win" situation for both the employer and employee. However, over the years, this process has become more adversarial in nature, to the detriment of both employers and employees.

Unfortunately, these disputes often carry over into the medical examination process. IMEs, which were intended to provide a fair and impartial assessment of the medical care being given to a patient and the future medical needs of that patient, are often points of contention with both employers and employees making accusations regarding the fairness of the IME. This measure is an attempt to bring balance to the system by providing that mutually agreed-upon physicians be used to conduct IMEs and establishing a process for appointing a physician should the parties not be able to agree upon a physician.

Your Committee recognizes that the 30-day timeframe currently provided by this bill for conducting an IME or PIRE may not be adequate for the doctors providing these services. Accordingly, your Committee has amended this bill by changing the timeframe to 45 days.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 62, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 62, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Pine.

**SCRep. 989 Human Services on S.B. No. 697**

The purpose of this bill is to provide help to those struggling with substance abuse addiction by requiring that money collected by county liquor commissions from fines against licensees be used for substance abuse treatment and prevention programs in addition to alcohol education programs.

The Honolulu Liquor Commission and Anheuser Busch Companies supported the intent of this bill. The Hawaii Food Industry Association provided comments.

While your Committee certainly supports any measure that would provide increased funding for substance abuse treatment and prevention programs, your Committee also acknowledges the merit of the testifiers' concerns.

The point was raised that this bill, as expressed in its title, deals specifically with intoxicating liquor. Including language that refers broadly to substance abuse gives the impression that fines collected against liquor licensees may be used to fund unrelated social programs. This may then lead to the indiscriminate creation of additional fines merely to provide a funding source for these unrelated social programs.

Your Committee notes and suggests to your Committee on Consumer Protection & Commerce that a possible remedy for these concerns may be to change the language to only include alcohol-related treatment and prevention programs.

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

- (1) Including provisions that re-classify the offense of promoting intoxicating liquor to a person under the age of twenty-one as a petty misdemeanor;
- (2) Mandating a 24-hour term of imprisonment for any person convicted of promoting intoxicating liquor to a person under the age of twenty-one;
- (3) Including provisions specifying additional terms of imprisonment for repeat offenders of promoting intoxicating liquor to a person under the age of twenty-one;
- (4) Including a savings clause; and
- (5) Changing the effective date to January 1, 2050, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 697, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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



**SCRep. 990 Water, Land, & Ocean Resources on H.R. No. 84**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to conduct a stock assessment of certain fish species to determine a baseline for future management measures.

The Hawaii Tropical Fish Association and a concerned individual supported this resolution. DLNR opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 84 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 991 Water, Land, & Ocean Resources on H.C.R. No. 104**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to conduct a stock assessment of certain fish species to determine a baseline for future management measures.

The Hawaii Tropical Fish Association and a concerned individual supported this concurrent resolution. DLNR opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 104 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 992 Public Safety/Agriculture on H.R. No. 11**

The purpose of this resolution is to lend support to Hawaii's agricultural industry that are being negatively impacted by the recent increase in vog emissions on the Big Island by requesting the United States Department of Agriculture and the County of Hawaii to provide increased financial support to these agricultural operations.

The Department of Agriculture and the Big Island Farm Bureau supported this resolution. The Hawaii County Finance Department opposed this measure.

Your Committees recognize the concerns of the Hawaii County Finance Department as noted in their testimony that any further reduction in property taxes for farmers, as requested by this resolution, would be relatively small for the farmers, but the cumulative effect would adversely impact the County's primary source of revenue.

Your Committees have amended this resolution by including Hawaii's Congressional delegation as recipients of certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 11, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 11, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Saiki, Souki, Wakai, Wooley, Yamashita and Pine.

**SCRep. 993 Public Safety/Agriculture on H.C.R. No. 7**

The purpose of this concurrent resolution is to lend support to Hawaii's agricultural industry that are being negatively impacted by the recent increase in vog emissions on the Big Island by requesting the United States Department of Agriculture and the County of Hawaii to provide increased financial support to these agricultural operations.

The Department of Agriculture and the Big Island Farm Bureau supported this concurrent resolution. The Hawaii County Finance Department opposed this measure.

Your Committees recognize the concerns of the Hawaii County Finance Department as noted in their testimony that any further reduction in property taxes for farmers, as requested by this concurrent resolution, would be relatively small for the farmers, but the cumulative effect would adversely impact the County's primary source of revenue.

Your Committees have amended this concurrent resolution by including Hawaii's Congressional delegation as recipients of certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 7, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 7, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Saiki, Souki, Wakai, Wooley, Yamashita and Pine.

**SCRep. 994 Water, Land, & Ocean Resources on H.R. No. 87**

The purpose of this resolution is to urge the state agencies with authority over the streets within the Kalaeloa community development district to change the street name of Fort Barrette Road to Kualaka'i Road.

The Association of Hawaiian Civic Clubs, Ahahui Siwila Hawaii O Kapolei, Maluohai Residents' Association, and several concerned individuals supported this resolution. Several concerned individuals opposed this resolution. The Department of Transportation offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 87 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 995 Water, Land, & Ocean Resources on H.C.R. No. 108**

The purpose of this concurrent resolution is to urge the state agencies with authority over the streets within the Kalaeloa community development district to change the street name of Fort Barrette Road to Kualaka'i Road.

The Association of Hawaiian Civic Clubs, Ahahui Siwila Hawaii O Kapolei, Maluohai Residents' Association, and a concerned individual supported this concurrent resolution. The Department of Transportation offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 996 Water, Land, & Ocean Resources on H.R. No. 75**

The purpose of this resolution is to request the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources (DLNR) to provide limited, but regular, nighttime enforcement services and to continue to provide enforcement services on weekends and holidays at Kaneohe Bay.

The Koolau Foundation, the Koolaupoko Hawaiian Civic Club, the Hawaii Tropical Fish Association, and a concerned individual supported this resolution. DLNR commented on this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 997 Water, Land, & Ocean Resources on H.C.R. No. 96**

The purpose of this concurrent resolution is to request the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources (DLNR) to provide limited, but regular, nighttime enforcement services and to continue to provide enforcement services on weekends and holidays at Kaneohe Bay.

The Koolau Foundation, the Koolaupoko Hawaiian Civic Club, the Hawaii Tropical Fish Association, and a concerned individual supported this concurrent resolution. DLNR commented on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 998 Water, Land, & Ocean Resources on H.R. No. 83**

The purpose of this resolution is to request the Division of Conservation and Resources Enforcement (DOCARE) of the Department of Land and Natural Resources (DLNR) to apply for accreditation with the Commission on Accreditation for Law Enforcement Agencies, Inc. (Commission)

DLNR and the Hawaii Government Employees Association supported this resolution.

Your Committee has amended this measure by:

- (1) Requesting that DOCARE apply for accreditation or recognition with the Commission;
- (2) Changing the title to reflect this change; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 83, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 83, H.D. 1.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 999 Water, Land, & Ocean Resources on H.C.R. No. 103**

The purpose of this concurrent resolution is to request the Division of Conservation and Resources Enforcement (DOCARE) of the Department of Land and Natural Resources (DLNR) to apply for accreditation with the Commission on Accreditation for Law Enforcement Agencies, Inc. (Commission)

DLNR and the Hawaii Government Employees Association supported this concurrent resolution.

Your Committee has amended this measure by:

- (1) Requesting that DOCARE apply for accreditation or recognition with the Commission;
- (2) Changing the title to reflect this change; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 103, H.D. 1.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 1000 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 49**

The purpose of this concurrent resolution is to urge the President of the United States (U.S.), Secretary of Defense, and Secretary of the Interior to preserve Marine Corps Air Station Ewa, or a portion of it, as a National Monument.

The Department of Land and Natural Resources, Historic Hawaii Foundation, and several concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that the U.S. Navy and its private, public and nonprofit partners to proceed with the research, battlefield analysis, and other activities necessary to designate an appropriate boundary within Ewa Field for nomination to the Hawaii State and National Registers of Historic Places;
- (2) Requesting the Department of Land and Natural Resources to report to the 2010 Legislature on these activities;
- (3) Including the U.S. Navy in the list of persons urged to preserve the Marine Corps Air Station Ewa;
- (4) Including the Commander of Navy Region Hawaii in the list of persons who are to receive a certified copy of this concurrent resolution;
- (5) Making other amendments to conform this concurrent resolution to these amendments; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.C.R. No. 49, H.D. 1.

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

**SCRep. 1001 Water, Land, & Ocean Resources on S.B. No. 1352**

The purpose of this bill is to:

- (1) Transfer the recording of fee time share interests from the land court system to the Bureau of Conveyances (Bureau);
- (2) Authorize the Department of Land and Natural Resources (DLNR) to charge a \$5 transaction fee for services rendered at the Bureau to be deposited into the Bureau's special fund for automation of services;
- (3) Create a two-year pilot program for an integrated electronic filing system for the electronic recordation of fee time share interests; and
- (4) Establish a working group to address issues regarding the implementation of the transfer.

The American Resort Development Association – Hawaii, Starwood Vacation Ownership, Hawaii Association of Realtors, and Wyndham Worldwide supported this bill. DLNR supported the intent of this bill. The Hawaii Government Employees Association offered comments. One concerned individual opposed this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1002 Labor & Public Employment on S.B. No. 688**

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

- (1) Requiring successor employers to retain incumbent employees upon divestiture of a business; and
- (2) Assessing penalties for noncompliance with worker retention requirements.

The ILWU Local 142, International Brotherhood of Electrical Workers, Hawaii State AFL-CIO, and Hawaii Teamsters and Allied Workers Local 996 testified in support of this bill. The Department of Labor and Industrial Relations, Outrigger Hotels, Hawaii Hotel & Lodging Association, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, National Federation of Independent Business in Hawaii, Hawaii Restaurant Association, Hawaii Credit Union League, MDX Hawaii, The Hawaii Business League, Building Industry Association of Hawaii, Exquisite Hawaiian Weddings and

Event Productions L.L.C., General Contractors Association of Hawaii, Garden Isle Healthcare & Hale Kupuna Heritage Home, Ohana Pacific Management, Company, NetEnterprise Inc., Kauai Chamber of Commerce, Steiner & Associates, Highway Inn Inc., Mokulua Contracting LLC, 1132 Cafe & Catering, Wilson Homecare, and two concerned individuals testified in opposition to this bill.

Your Committee finds that the difficult economic times facing Hawaii, as well as the rest of the nation, has caused an uneasiness among employees and their employers that continues to have a negative impact on the economy. Many employees fear losing their jobs because of business takeovers. A mass layoff caused by a divestiture poses problems, not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. At the same time, your Committee understands the concern that this measure may also cause undue hardship for employers, particularly small businesses.

Accordingly, your Committee has amended this bill by restricting its divestiture requirements to businesses with 100 employees or more.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 688, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 1003 Labor & Public Employment on S.B. No. 1622**

The purpose of this bill is to protect Hawaii's workers who might be displaced from employment due to the divestiture or transfer of a business to another employer by, among other things:

- (1) Requiring the prospective employer to retain, for a 90-day transition employment period, all employees who were employed by the existing employer at the time of the divestiture of a business; and
- (2) Requiring that the new employer offer an employee retained from the existing employer continued employment under the terms and conditions established by the new employer.

The ILWU Local 142, International Brotherhood of Electrical Workers, Hawaii State AFL-CIO, and Hawaii Teamsters and Allied Workers, Local 996 testified in support of this bill. The Department of Labor and Industrial Relations, Outrigger Hotels, Hawaii Hotel & Lodging Association, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, National Federation of Independent Business in Hawaii, Hawaii Restaurant Association, Hawaii Credit Union League, The Hawaii Business League, Building Industry Association of Hawaii, Exquisite Hawaiian Weddings and Event Productions L.L.C., General Contractors Association of Hawaii, Garden Isle Healthcare & Hale Kupuna Heritage Home, Ohana Pacific Management Co., NetEnterprise Inc., Kauai Chamber of Commerce, Steiner & Associates, Highway Inn Inc., Mokulua Contracting LLC, 1132 Cafe & Catering, Wilson Homecare, Hawaii Automobile Dealers Association, and two concerned individuals testified in opposition to this bill.

Your Committee finds that the difficult economic times facing Hawaii, as well as the rest of the nation, has caused an uneasiness among employees and their employers that continues to have a negative impact on the economy. Many employees fear losing their jobs because of business takeovers. A mass layoff caused by a divestiture poses problems, not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. Addressing this fear and uneasiness may alleviate employee concerns, positively affect consumer confidence and, in turn, have a positive effect on our economy.

At the same time, your Committee understands the concern that this measure may also cause hardship for employers trying to sell their business, particularly if the prospective buyer is interested in operating a dissimilar business or does not need the entire cadre of the former owner's employees.

Accordingly, your Committee has amended this bill by:

- (1) Stipulating that a new employer need not retain the previous owner's employees if the new business is substantially dissimilar or the human resources needs of the new employer are reduced;
- (2) Removing language requiring new employers to give employees an opportunity to improve their work performance if they have received an unsatisfactory performance evaluation during the 90-day transition period; and
- (3) Replacing the penalty amount for noncompliance with these new requirements from \$500 for each day of a violation to an unspecified amount.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1622, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1622, S.D. 1, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Keith-Agaran, Takumi and Pine.

**SCRep. 1004 Water, Land, & Ocean Resources on S.B. No. 412**

The purpose of this bill is to designate June 8 of each year as World Ocean Day, replacing and expanding the current "Ocean Day."

The Department of Land and Natural Resources, the Nature Conservancy of Hawaii, Hawaii Arts Alliance, Kai Makana, the Hawaii Audubon Society, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 412 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, C. Lee, Luke and Thielen.

**SCRep. 1005 Health on S.B. No. 1142**

The purpose of this bill is to improve patient access to medical care by:

- (1) Clarifying the procedures and circumstances under which licensed physician assistants (PAs) may provide services; and
- (2) Providing PAs, who render emergency care services, with limited liability protection pursuant to the Good Samaritan laws.

The Hawaii Primary Care Association, Hawaii Academy of Physician Assistants, and several concerned individuals supported this bill. The Hawaii Medical Board supported the intent of this measure. The Department of Human Services and the Disability and Communications Access Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1006 Health on S.B. No. 930**

The purpose of this bill is to ensure access to volunteer professional medical services by providing for medical expenses and immunity from liability for licensed medical personnel providing volunteer medical services on behalf of the State or a county.

The Department of Health and a concerned individual supported this bill. The University of Hawaii at Manoa supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 930, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1007 Health on S.B. No. 777**

The purpose of this bill is to ensure the delivery of accurate sex education information by requiring any recipient of state funding that provides sexuality health education to provide medically accurate, factual, and comprehensive information that is age appropriate and includes education on abstinence and contraception.

The Hawaii Youth Services Network, Hawaii Women's Political Caucus, Planned Parenthood of Hawaii, League of Women Voters of Hawaii, Hawaii State Democratic Women's Caucus, American Civil Liberties Union of Hawaii, and several concerned individuals supported this bill. The Hawaii Family Forum, Hawaii Catholic Conference, the Mary Jane Program of Catholic Charities Hawaii, and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the state funding referred to in this bill is specifically for sexuality health education;
- (2) Rephrasing language regarding the prevention of unintended pregnancy to bring it in line with Board of Education policies; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Belatti and Carroll.  
(Representative Finnegan voted no.)

**SCRep. 1008 Human Services on S.B. No. 809**

The purpose of this measure is to establish a task force to advise the Legislature and state government on how best to coordinate efficient use of limited public and private resources to assist homeless children.

The measure also establishes the Kokua Na Keiki Special Fund to finance a homeless coordinator position and a support staff position to assist the coordinator, and to fund grants for innovation projects for homeless children. Expenditure from the Fund is contingent upon the availability of federal funds.

Your Committee received testimony in support of the intent of this measure from the State Procurement Office. The Department of Human Services opposed this measure. The Department of Budget and Finance submitted comments on the measure.

Your Committee finds that homelessness can be devastating to children, especially young children. While many children develop a degree of resiliency to their situation and are able to overcome the difficulties of living without a home, homeless children often suffer from poor health, exposure to violence, poor academic performance, and a lack of positive social interaction.

Your Committee finds that this Act is intended to address the adverse effects of homelessness on children.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1009 Human Services on S.B. No. 1668**

The purpose of this measure is to combine the aid to the aged, blind, and disabled program and the general assistance program to create a single disability program that includes temporarily incapacitated persons along with aged, blind, and disabled persons and clarifies public assistance eligibility requirements.

Testimony in support of this measure was submitted by the Legal Aid Society of Hawaii, the Hawaii Chapter of the National Association of Social Workers, and one concerned individual. Testimony opposed to this measure was submitted by the Department of Human Services.

Your Committee finds that creating a single disability benefits program for the aged, blind, disabled, and temporarily incapacitated will ensure that disability assistance continues to those who need it, regardless of the type of disability. Your Committee further finds that combining programs that provide assistance to the aged, blind, and disabled with the general assistance program will prevent disparities between the types of aid provided and eliminate difficulties in transferring funds between the two programs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1668, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1010 Human Services on S.B. No. 108**

The purpose of this bill is to extend from six to twelve months the maximum duration of a court-appointed temporary guardian for a minor.

Your Committee received testimony in support of this measure from the Judiciary and the Legal Aid Society of Hawaii.

Your Committee finds that this measure is needed to aid temporary guardians in the military. Under federal law, a guardian in the military qualifies for medical benefits for children in the guardian's care only if the custody order is for at least twelve consecutive months. This bill allows the court to issue a temporary guardianship order for twelve months, allowing the child to receive medical benefits. Your Committee also finds that a twelve month temporary guardianship will assist children who experience difficulties and need more time to transition to permanent guardianship.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 108 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1011 Human Services on S.B. No. 535**

The purpose of this bill is to extend the prohibition against consumption of liquor in certain public places to also prohibit possession of open liquor containers in those public places.

Furthermore, this bill makes the possession of an open liquor container on a public sidewalk or common area of a public housing project prima facie evidence of the consumption.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that the present law prohibits consumption of liquor on public highways, public sidewalks, and common areas of public housing projects. However, as written, the law is technically difficult to enforce unless police or witnesses actually observe persons moving and placing the open liquor container to their lips. By extending the prohibition against public consumption of liquor to include possession of open liquor containers will facilitate implementation of the law.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1012 Human Services on S.B. No. 843**

The purpose of this bill is to assist the court in rendering appropriate sentences by restoring a statutory provision that allows the court, in its discretion, to order a defendant who has been convicted of a felony or a misdemeanor to submit to mental or other medical observation and examination prior to being sentenced.

The Judiciary, State Attorney General, Prosecuting Attorney of the City and County of Honolulu, and Prosecuting Attorney of Hawaii County supported this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1013 Human Services on S.B. No. 912**

The purpose of this bill is to ensure compliance with federal Title IV-E permanency hearing requirements by:

- (1) Requiring that a permanency hearing be held within 12 months of a child's initial date of entry into out-of-home care or within 30 days of a judicial determination that a child is an abandoned infant or that aggravated circumstances are present;
- (2) Requiring that the status of the child be reviewed at least every 12 months thereafter to determine whether the child is receiving appropriate services, that case plans are being properly implemented, and that plans are made that will lead to permanent placement; and
- (3) Delineating permanency hearing procedures.

The Department of Human Services supported this bill. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1014 Human Services on S.B. No. 109**

The purpose of this bill is to help coordinate inter-state cooperative efforts and mutual assistance in the prevention of crime by:

- (1) Enacting the new Interstate Compact for Juveniles which remedies problems with the current compact by adding provisions for meaningful enforcement, administration, finances, communications, data collection and exchange, and training;
- (2) Repealing the existing compact; and
- (3) Appropriating funds for Hawaii's share of administrative expenses.

The Judiciary, Office of Youth Services, Maui County Prosecuting Attorney, Hawaii County Prosecuting Attorney, and Special Counsel for Interstate Compacts of the Council of State Governments supported this bill.

Your Committee has amended this bill by:

- (1) Removing language that would repeal the Interstate Compact on Juveniles, Chapter 582, HRS; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 109, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1015 Human Services on S.B. No. 851**

The purpose of this bill is to bring the Child Support Enforcement Agency (CSEA) into compliance with federal law and to increase agency efficiency by:

- (1) Clarifying that all income withholding payments be sent to CSEA or another state's enforcement agency;
- (2) Requiring the custodial parent to elect to receive child support payments through an electronic benefits transfer system or direct deposit and if such election is not made, allowing CSEA to determine a method that complies with Title IV-D;
- (3) Allowing an electronic copy or facsimile of a signature on certified mailers to serve as proof of service for certified mail;
- (4) Clarifying that child support enforcement agencies other than CSEA may enforce a child support lien;
- (5) Requiring payment to an entity seeking to enforce a child support lien once that entity has complied with State procedural rules; and
- (6) Requiring CSEA to use only the last four digits of the obligor's social security number.

The Department of Human Services and the State Attorney General supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 851, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1016 Energy & Environmental Protection on S.B. No. 504**

The purpose of this measure is to appropriate funds to the University of Hawaii at Manoa to establish a sustainability internship program as part of the Sustainable Saunders project.

This measure also requires the university to work with the Sustainable Saunders project in identifying alternative methods of funding the program.

Your Committee received testimony in support of this measure from four private entities, two coordinators with the Sustainable Saunders initiative at the University of Hawaii at Manoa, two students at the University of Hawaii at Manoa who are interns or members of the Sustainable Saunders initiative at the University of Hawaii at Manoa, two students at the University of Hawaii at Manoa, a recent graduate of the University of Hawaii at Manoa, and two concerned individuals.

Your Committee finds that the Sustainable Saunders project is an initiative at the University of Hawaii at Manoa to develop Saunders Hall into a model of energy sustainability for the campus and beyond. Through the leadership of faculty and students, the no cost and low cost energy efficient initiatives of the project have already helped reduce the energy use of Saunders Hall by approximately thirty per cent. Your Committee also finds that by providing training and paid work experience in sustainability principles and practices, the program will contribute to an educated, experienced workforce in one of the State's fastest growing economic sectors.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 504, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1017 Energy & Environmental Protection on S.B. No. 713**

The purpose of this measure is to appropriate funds to the Research Corporation of the University of Hawaii to renew the emergency environmental workforce.

Your Committee received testimony in support of the intent of the measure from the University of Hawaii system and the Research Corporation of the University of Hawaii. Comments were received from the Nature Conservancy.

Your Committee finds that the emergency environmental workforce was originally established in 2001 to provide short-term employment for individuals who became unemployed as a result of the economic downturn following the events of September 11, 2001. The workforce's funding was limited to only fiscal year 2001-2002. Your Committee finds that the current economic downturn accompanying the national economic crisis necessitates the renewal of the emergency environmental workforce to again provide short-term employment.

Your Committee recommends that a portion of the federal stimulus funding be used to shore up the existing environmental workforce (i.e., watershed partnerships and invasive species committees), to prevent job loss and ensure the success of a renewed emergency environmental workforce, and to ensure sufficient funding for human resources support, safety equipment, tools, vehicles, and other necessities for workers and managers.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1018 Energy & Environmental Protection on S.B. No. 942**

The purpose of this measure is to conform the State's underground storage tank laws to the requirements of the federal Energy Policy Act of 2005, to ensure the Department of Health's eligibility for federal grants.

Specifically, this measure allows the Department to stop petroleum product deliveries, deposits, or acceptance to illegal underground storage tanks before holding a contested hearing.

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

Your Committee finds that by complying with the requirements of federal law, this measure ensures that the Department of Health will not lose approximately \$450,000 in annual federal funds from the United States Environmental Protection Agency for the Department's Underground Storage Tank and Leaking Underground Storage Tank programs.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1019 Higher Education on S.B. No. 1046**

The purpose of this bill is to:

- (1) Provide opportunities for health science and education students at the University of Hawaii (UH) at Manoa to participate in interdisciplinary teams at rural sites with faculty and community members; and
- (2) Address the shortage of health professionals in underserved rural communities in the state,



by appropriating funds to support the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program.

Several concerned individuals supported this bill. UH at Manoa offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1020 Higher Education on H.R. No. 46**

The purpose of this measure is to request the University of Hawaii (UH) College of Education to take steps to integrate additional international affairs and global education coursework into its curriculum.

No written testimony was received; however, your Committee heard oral testimony in support of this measure from the University of Hawaii, Phi Delta Kappa Hawaii Chapter, Global Youth Center of Hawaii, and one concerned individual.

Your Committee has amended this measure by:

- (1) Requesting the UH College of Education to report its progress to the Legislature prior to the convening of the 2010 Session; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 46, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.R. No. 46, H.D. 1.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1021 Higher Education on H.C.R. No. 58**

The purpose of this measure is to request the University of Hawaii (UH) College of Education to take steps to integrate additional international affairs and global education coursework into its curriculum.

No written testimony was received; however, your Committee heard oral testimony in support of this measure from the University of Hawaii, Phi Delta Kappa Hawaii Chapter, Global Youth Center of Hawaii, and one concerned individual.

Your Committee has amended this measure by:

- (1) Requesting the UH College of Education to report its progress to the Legislature prior to the convening of the 2010 Session; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.C.R. No. 58, H.D. 1.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1022 Public Safety on H.C.R. No. 92**

The purpose of this concurrent resolution is to work toward determining viable alternatives to the continued placement of the Sheriff Division within the Department of Public Safety (PSD) by requesting the Auditor to conduct a financial and management audit of PSD's Sheriff Division, and to report on the suitability of the administrative organization of PSD and its Sheriff Division.

The Hawaii Government Employees Association supported this concurrent resolution.

Your Committee is concerned with claims that the officers in the Sheriff Division are compensated at a substantially lower rate than that of law enforcement officers with somewhat similar duties such as county police officers. Therefore, your Committee has amended this concurrent resolution by requesting that the Auditor also look into:

- (1) The adequacy of the method by which the amount of pay provided to officers in the Sheriff Division is calculated; and
- (2) Any disparities in pay between the officers in the Sheriff Division and other law enforcement officers, particularly county police officers, in the state being mindful of the amount of training and responsibilities involved in each area of law enforcement area.

This concurrent resolution was further amended by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 92, H.D. 1.

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

**SCRep. 1023      Transportation on S.B. No. 442**

The purpose of this bill is to facilitate the development of affordable housing in well-designed transit-oriented development and improve the coordination of housing and transportation planning at all levels of government by:

- (1) Authorizing the Hawaii Housing Finance and Development Corporation (HHFDC) to:
  - (A) Grant funds to affordable housing developers to contract for third-party review and certification to facilitate compliance with the various building codes, ordinances, rules, and other requirements of a county; and
  - (B) Expedite the process and issuance of building permits for an affordable housing project that is part of a transit oriented development;
- (2) Appropriating moneys for the grants;
- (3) Establishing a commission on transit oriented development to advise the Legislature, the legislative body of each county, and the appropriate state and county agencies responsible for carrying out a continuing and comprehensive transit oriented development planning process; and
- (4) Appropriating an unspecified amount of funds for the commission.

HHFDC and the Department of Planning and Permitting of the City and County of Honolulu provided comments on this bill.

The City and County of Honolulu is about to embark on the largest public works project in the state's history, often referred to as the Honolulu High Capacity Transit Project (Project).

The Project is expected to spur transit-oriented development all along the mass transit corridor. To accommodate the expected future growth in these areas, upgrades and improvements to increase capacity to infrastructure in these areas will be necessary. Making these upgrades and replacements will result in more compact, dense, and coordinated development along this transportation corridor with an added benefit of reducing urban sprawl.

However, your Committee finds that the intent of this measure can be accomplished by providing no-interest loans to the counties for these development needs. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with the language contained in H.B. No. 863, H.D.1.

As amended, this bill would encourage coordinated urban development while reducing urban sprawl by creating a no-interest loan revolving fund to provide no-interest loans to the counties for the development, predevelopment, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly those projects involving affordable housing.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 442, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 442, S.D. 2, H.D. 1, and be referred to the Committees on Housing and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1024      Legislative Management on S.B. No. 477**

The purpose of this bill is to clarify that the House of Representatives and the Senate, individually or jointly, are provided with legal representation from the Attorney General.

Under this bill, the Attorney General shall retain a private attorney to provide legal representation to the House of Representatives or the Senate, or both, if the Attorney General declines to provide legal representation due to a conflict of interest.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 477 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1025      Legislative Management on S.B. No. 1215**

The purpose of this bill is to ensure that candidates for legislative office are familiar with the problems and concerns of the jurisdictions that they seek to represent. This bill proposes to amend the Hawaii Constitution by requiring residency in the senatorial or representative district for at least 12 months prior to a general election.

The Ironworkers Stabilization Fund Local 625 testified in support of this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Correcting a nonsubstantive error in the title so that it reads: "PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION RELATING TO RESIDENCE REQUIREMENTS FOR MEMBERS OF THE LEGISLATURE"; and
- (2) Making other technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1215, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1026      Tourism, Culture, & International Affairs on S.B. No. 602**

The purpose of this bill is to authorize the use of the Works of Art Special Fund to support the acquisition and creation of a broader range of works of art for all state buildings, the Bernice Pauahi Bishop Museum, and Iolani Palace.

Bishop Museum, Historic Hawaii Foundation, and Iolani Palace supported this bill. The Department of Accounting and General Services and American Institute of Architects opposed this measure. A concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives McKelvey, Wakai and Wooley.

**SCRep. 1027      Tourism, Culture, & International Affairs on S.B. No. 1334**

The purpose of this bill is to support local music and dance by establishing a Museum for Hawaiian Music and Dance (Museum) within the State Foundation on Culture and the Arts. This measure also appropriates funds to finance the design and the environmental assessment relating to the construction of the building and ancillary facilities for the Museum.

The Hawaii Tourism Authority, Office of Hawaiian Affairs, Museum of Hawaiian Music and Dance Committee, Hawaiian Music Hall of Fame, and many concerned individuals supported this bill. The Department of Accounting and General Services opposed this measure. The State Procurement Office offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1334, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives McKelvey, Wakai and Wooley.

**SCRep. 1028      Human Services on S.B. No. 774**

The purpose of this bill is to help eliminate risk factors and increase positive outcomes for youth by appropriating Temporary Assistance for Needy Families program funds to support non-school-hour programs throughout the state and a Safe Haven demonstration program in Hawaii County.

The Department of Education, Hawaii County, and a concerned individual supported this bill. The Office of Youth Services supported the intent of this measure. The Department of Human Services opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amounts; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 774, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 774, S.D. 2, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 1029      Agriculture on S.B. No. 1223**

The purpose of this bill is to protect consumers from false or misleading advertising and preserve the credibility of the "Made in Hawaii" labeling by:

- (1) Prohibiting the use of the phrase "Made in Hawaii" as an advertising or media tool unless the item being advertised meets specific criteria allowing the use of the phrase; and
- (2) Requiring the Department of Agriculture (DOA) to convene a working group of interested parties, including a specified list of entities, to identify issues relating to the Hawaii-made Products Law and propose workable solutions.

Creations of Hawaii, Hawaii Food Industry Association, and two concerned individuals supported this bill. DOA submitted comments.

Your Committee has amended this measure by:

- (1) Narrowing the composition of the working group to those entities listed specifically in the bill and adding a representative from each county, appointed by the respective mayor of each county, to the working group;
- (2) Clarifying that the working group identify labeling issues relating to the Hawaii-made Products Law; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1223, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1030      Agriculture on S.B. No. 1179**

The purpose of this bill is to support local agriculture and promote healthy eating habits for students by establishing a state farm to school policy, and a farm to school program in Hawaii's public schools.

Several concerned individuals supported this bill. The Department of Agriculture supported the intent of this bill. The Department of Education opposed this measure.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1179, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1179, S.D. 2, H.D. 1, and be referred to the Committee on Education.

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

**SCRep. 1031      Education on S.B. No. 178**

The purpose of this bill is to promote conservation by further reducing solid and liquid food waste. Specifically, this bill requires and appropriates funds for the Department of Education (DOE), in partnership with the Department of Health (DOH), to establish a three-year food waste recycling pilot project in one or more public schools. Public-private partnerships are encouraged in the development and implementation of the pilot project.

DOE supported this bill. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives Chang, Nakashima and Yamane.

**SCRep. 1032      Education on S.B. No. 799**

The purpose of this bill is to propose an amendment to Article X, Section 2, of the Hawaii Constitution, to clarify the selection of the student member of the Board of Education (BOE).

The Board of Education supported this bill.

Your Committee has amended this bill by:

- (1) Replacing its contents with the language of H.B. No. 86. As amended, this bill proposes an amendment to Article X, Section 2, of the Hawaii Constitution, to allow the BOE student member to vote; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 799, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1033      Education on S.B. No. 733**

The purpose of this bill is to ensure the equitable administration of school impact fees for financing new or expanding existing Department of Education (DOE) schools or facilities.

Specifically, this measure:

- (1) Requires DOE to update certain figures it uses to calculate impact fees, including:
  - (A) School site area averages;
  - (B) Facility construction costs per student in elementary, middle, and high schools; and
  - (C) The revenue credit for each residential unit developed;
- (2) Ensures that new residential developments are charged for a level of service (permanent versus portable facilities) that is equal to and not higher than the current standards of the district in which the development is situated;
- (3) Clearly sets forth the distinction between a land component impact fee and a construction cost component impact fee;

- (4) Requires DOE to engage in an analysis on a district basis that includes the student generation rates for single-family and multi-family developments, considering the potential for making more efficient use of existing and underutilized assets in a school district, and potential changes to statewide school site areas and design enrollment standards;
- (5) Establishes school land area averages per student for elementary, middle, and high schools;
- (6) Clarifies the formula for calculating the school construction cost per unit for single-family and multi-family developments;
- (7) Requires that the impact fees collected within a school district be used only on schools serving the same school district; and
- (8) Requires DOE to return lands dedicated for school facilities or construction cost component impact fees that are not used for school facilities within 20 years of the land dedication or fee payment.

DOE supported this bill. The Land Use Research Foundation of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 733, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1034 Consumer Protection & Commerce on S.B. No. 121**

The purpose of this measure is to replace the Uniform Management of Institutional Funds Act with the Uniform Prudent Management of Institutional Funds Act.

Your Committee received testimony in support of the measure from the University of Hawaii Foundation, the Commission to Promote Uniform Legislation, the Hawaii Alliance of Nonprofit Organizations, and the Hawaii Community Foundation.

Your Committee finds that the Uniform Prudent Management of Institutional Funds Act, like its predecessor, will continue to provide statutory guidelines for the management, investment, and expenditure of endowment funds held by charitable institutions. The Uniform Prudent Management of Institutional Funds Act also provides additional and more detailed standards to be followed by charities in the investment and management of their endowment funds including providing for diversification of assets, pooling of assets, and total return investment, to implement whole portfolio management. Laws substantially similar to the Uniform Prudent Management of Institutional Funds Act have been adopted by twenty-six states and the District of Columbia.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 121, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1035 Health on S.B. No. 427**

The purpose of this bill is to clarify that amounts received by a managed care support contractor for actual costs or advances to third party health care providers made pursuant to a contract for the administration of the federal TRICARE program are exempt from the general excise tax.

The Chamber of Commerce of Hawaii, TriWest Healthcare Alliance, Inc., and Hawaii Medical Service Association supported this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 1036 Health on S.B. No. 230**

The purpose of this bill is to ensure the safety and peace of mind of victims of crime by, among other things:

- (1) Amending the Crime Victims' Bill of Rights to include notice or waiver of notice as to an offender's unfitness to stand trial, transfer to the State Hospital or other psychiatric facility, or regaining fitness to proceed; and
- (2) Requiring the Department of Health (DOH) to provide notice of a change in the custodial status of an offender, including escape and final discharge.

The Crime Victim Compensation Commission, Hawaii State Coalition Against Domestic Violence, The Sex Abuse Treatment Center, and a concerned individual supported this bill. The Honolulu Department of the Prosecuting Attorney supported this measure with amendments. DOH opposed this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 230, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1037 Consumer Protection & Commerce/Judiciary on S.B. No. 301**

The purpose of this measure is to adopt the Model Registered Agents Act and thereby standardize requirements relating to registered agents of business entities.

Your Committees received testimony in support of the measure from the Commission to Promote Uniform Legislation and CT Corporation.

Your Committees find that entities registered to do business in the State are required to have a registered agent who is located in the State to accept service of process. The agent is often a company that acts as the registered agent for many other entities in the State. This measure, by creating a registry of commercial agents, wherein, the agent notes the changes in the agent's own registration, will relieve the business entities whom the agent represents from having to individually note, in their own registration, changes in the name, address, or other information of the commercial agent. Your Committees find that eight other states have adopted this model act and believe that this measure will save both the registrants and the Business Registration Division of the Department of Commerce and Consumer Affairs significant amounts of time and expense when a business changes its commercial agents.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 301, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, McKelvey, Morita and Souki.

**SCRep. 1038 Human Services on S.B. No. 190**

The purpose of this bill is to require the Department of Human Services (DHS) to allow two private pay clients to live in the same community care foster family home if they share a relationship as defined by DHS.

The Adult Residential Care Home Operators – Big Island Chapter, Adult Foster Home Operators of the Big Island, and numerous concerned individuals supported this bill. DHS opposed this measure. The State Attorney General provided comments.

Your Committee recognizes that while it is imperative to preserve space in community care foster family homes certified by DHS for those whose financial difficulties leave them with limited options for long-term care as they age, your Committee also realizes that private long-term care is becoming increasingly cost prohibitive, even for those who do not need to rely on Medicaid.

While there are regulations in place that allow private-pay individuals to occupy space in community care foster family homes, current restrictions prevent two private-pay individuals from living in the same home, with the unintended consequences of two private-pay individuals who share a close, lifetime bond, including spouses, siblings, and a parent and child, having to spend their twilight years apart.

As it is important to meet the needs of both populations, your Committee believes that a demonstration project will present an opportunity to test a solution that protects resources specifically reserved for Medicaid clients while respecting the commitment made to each other by two individuals.

Accordingly, your Committee has amended this bill by:

- (1) Removing language that requires DHS to define the relationship required between two individuals;
- (2) Including provisions that allow DHS to permit two private-pay individuals to live in the same community care foster family home as a two-year demonstration project;
- (3) Specifying conditions under which two private-pay individuals can live in the same community care foster family home, including the nature of the individuals' relationship;
- (4) Adding a provision that requires DHS to monitor and evaluate the demonstration project for any adverse impact on the availability of beds for Medicaid clients;
- (5) Inserting a purpose section; and
- (6) Including a sunset date.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 190, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 190, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1039 Health/Human Services on S.B. No. 1140**

The purpose of this bill is to ensure the financial strength of Hawaii's critical access hospitals (CAH) and federally qualified health centers (FQHC) by requiring health plans, other than government payors and limited benefit health insurance policy insurers, licensed to do business in this state, to reimburse CAHs and FQHCs at rates consistent with Medicare and Medicaid reimbursement rates.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, and Hawaii Primary Care Association supported this bill. The Hawaii Medical Service Association and the Hawaii Association of Health Plans opposed this measure.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1140, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1140, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1040 Health on S.B. No. 1676**

The purpose of this bill is to ensure access to health care services in Hawaii's rural and medically underserved areas by clarifying that:

- (1) Telehealth is within the scope of a physician's practice; and
- (2) A provider-patient relationship may be established through telehealth where the provider is licensed to practice medicine in this state.

The Chamber of Commerce of Hawaii, Hawaii Medical Service Association, and MDX Hawaii supported this bill. The Hawaii Medical Association opposed this measure. The Department of Commerce and Consumer Affairs and its Regulated Industries Complaints Office and the Hawaii Medical Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, S.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1041 Health on S.B. No. 1263**

The purpose of this bill is to protect consumers of services in the tattooing industry by:

- (1) Requiring a permit issued by the Department of Health (DOH) for the operation of a tattoo shop; and
- (2) Providing for the issuance of temporary licenses for qualified out-of-state tattoo artists participating in events such as educational, trade show, or product demonstration purposes.

The Hawaii Medical Association, Coalition for Safe Tattooing in Hawaii, and several concerned individuals supported this bill. DOH submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that participating tattoo artists in certain events for monetary gain will require payment of a \$500 fee;
- (2) Requiring DOH to notify an applicant for a temporary license of the status of the application within twenty days;
- (3) Clarifying the types of violations that may subject a tattoo artist to license revocation, including:
  - (A) Reckless behavior or negligence;
  - (B) An arrest or conviction for substance abuse or trafficking of illegal substances;
  - (C) Disability caused by a mental disorder; or
  - (D) Aiding another person in practicing tattooing under false pretenses;
 and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1263, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1263, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1042 Health on S.B. No. 1332**

The purpose of this bill is to ensure safety and quality care for patients who receive services from respiratory care practitioners by establishing licensure requirements for the respiratory care profession.

This bill further provides an exemption for certain health care professions, from the required auditor's analysis for unregulated professions, that the Legislature deems to be in the best interest to be licensed for participation in federal programs.

The Hawaii Medical Association, American Association for Respiratory Care, Hawaii Chronic Obstruction Pulmonary Disease Coalition, and several concerned individuals supported this bill. The Hawaii Society for Respiratory Care supported this measure with amendments. The Department of Commerce and Consumer Affairs opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting references to the Respiratory Care Practitioner Board;
- (2) Providing that the Director of Commerce and Consumer Affairs (Director) will have the responsibility of overseeing licensure of respiratory care practitioners, including the development of rules;

- (3) Authorizing the Director to establish a Respiratory Care Practitioner Advisory Board; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1043 Health on S.B. No. 1137**

The purpose of this bill is to ensure the health and safety of the vulnerable population who are provided services by the Hawaii Health Systems Corporation (HHSC) by authorizing HHSC to conduct criminal history record checks.

HHSC supported this bill. The Hawaii Civil Rights Commission opposed this measure.

Your Committee has amended this bill by:

- (1) Authorizing HHSC to conduct criminal history record checks on current or prospective board members;
- (2) Ensuring that organizations served by HHSC are considered when HHSC analyzes the safety risks involved in hiring a person who may have a criminal history; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1137, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1044 Health on S.B. No. 585**

The purpose of this bill is to expand access to prescription medications by allowing remote dispensing pharmacies (RDP) located on islands without pharmacies, in health maintenance organizations, or areas not less than five miles from another pharmacy to:

- (1) Provide medications to patients with any health insurance coverage;
- (2) Dispense controlled substances until such time that a pharmacy is subsequently established on the same island; and
- (3) Continue operating in the same location if a pharmacy is subsequently established on the same island or within five miles of the RDP.

The Board of Pharmacy, Kaiser Permanente Hawaii, Walgreens Co., Lana'i Women's Center, Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, and Hawaii Medical Service Association supported this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1045 Health on S.B. No. 43**

The purpose of this bill is to ensure a consistent assessment of the physician workforce in Hawaii by:

- (1) Establishing the John A. Burns School of Medicine (JABSOM) Special Fund (Special Fund) to support JABSOM in work related to physician workforce assessment and planning in Hawaii;
- (2) Assessing a \$60 licensure renewal for physicians that will be deposited into the Special Fund; and
- (3) Requiring JABSOM to report to the Legislature on an annual and biannual basis.

The Hawaii Medical Service Association, Hawaii Association for Justice, and a concerned individual supported this bill. AARP supported the intent of this measure. The Department of Budget and Finance and the Hawaii Medical Association opposed this bill.

Your Committee has amended this bill by:

- (1) Setting the physician workforce fee at an unspecified amount; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 43, S.D. 2, H.D. 1, and be referred to the Committees on Higher Education and Consumer Protection & Commerce.

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

**SCRep. 1046 Health on S.B. No. 169**

The purpose of this bill is to ensure access to health care in the state's rural, medically underserved areas by establishing:

- (1) The Hawaii Health Corps Program; and
- (2) A loan repayment program and an incentive plan for the recruitment of health care professionals to serve in shortage areas.

The State Council on Developmental Disabilities, Hawaii Medical Association, Hawaii Primary Care Association, Hawaii Dental Hygienists' Association, Hawaii Association of Justice, Hawaii Society of Naturopathic Physicians, Healthy Mothers Healthy Babies Coalition of Hawaii, and Hawaii Medical Service Association supported this bill. AARP supported the intent of this measure. The Department of Budget and Finance and the Department of Business, Economic Development, and Tourism submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that all certified social workers are considered recruitment health professionals under this bill;
- (2) Including physician assistants, advance practice registered nurses, and naturopathic physicians under those covered as repayment health care professionals;
- (3) Providing preference for participation in the Program for licensed physicians who have graduated from a school of medicine and have received Hawaii-based medical training; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 169, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 169, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 1047 Health on S.B. No. 1205**

The purpose of this bill is to assist unemployed persons in continuing health insurance coverage by establishing a Temporary Health Insurance for Unemployed Persons Program (Program) to provide temporary health care coverage for persons who have lost their health insurance coverage due to a reduction in hours or a loss of employment.

The ILWU Local 142 and a concerned individual supported this bill. The Department of Human Services and the Hawaii Medical Service Association submitted comments.

Your Committee has amended this bill by:

- (1) Requiring the Director of Human Services to submit a report to the Legislature prior to the 2010 Regular Session reviewing the effects of the Program; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1205, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1205, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 1048 Education on S.B. No. 389**

The purpose of this bill is to improve the efficiency of the allotment process for state capital improvement projects while ensuring fiscal responsibility. Specifically, this bill requires the Legislative Reference Bureau (LRB) to review the memorandum of understanding (MOU) between the Department of Education (DOE) and Department of Budget and Finance (B&F) for the allotment of capital improvement projects, with the goal of replicating the processes of the MOU for use by other state agencies.

DOE, B&F, and LRB offered comments.

Your Committee has amended this bill by:

- (1) Limiting possible replication of the MOU process to use by state agencies with many capital improvement projects that are predominantly funded by general obligation bonds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 389, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 389, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Chang, Nakashima and Yamane.

**SCRep. 1049 Higher Education/Education on S.B. No. 1129**

The purpose of this bill is to protect public health, safety, and welfare by requiring athletic trainers to register with the Department of Commerce and Consumer Affairs (DCCA).

The Board of Education, Department of Education, Hawaii Athletic Trainers' Association, and Hawaii Medical Association supported this bill. DCCA opposed this measure. The Hawaii Chapter – American Physical Therapy Association and Occupational Therapy Association of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Changing all references of "directing" physicians, to "treating" physicians;
- (2) Clarifying the definition of "practice of athletic training";
- (3) Requiring athletic trainers to have completed the educational and certification requirements of the National Athletic Trainers' Association Board of Certification, Inc.;
- (4) Providing for civil penalties for violations of the registration provisions;
- (5) Requiring the state Auditor to perform a sunrise analysis of the licensure of athletic trainers; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1129, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1050 Housing on S.B. No. 754**

The purpose of this bill is to require the Legislative Reference Bureau (LRB) to:

- (1) Review the state and county laws related to affordable housing, seeking input from stakeholders;
- (2) Recommend strategies to strengthen Hawaii's housing laws; and
- (3) Report its findings, recommendations, and any proposed legislation to the legislature no later than 20 days prior to the convening of the regular session of 2010.

The Hawaii Housing Finance and Development Corporation supported the intent of this bill. The LRB, the Building Industry Association of Hawaii, the Chamber of Commerce of Hawaii, the Hawaii Developers' Council, and one concerned individual commented on this bill.

Your Committee has amended this bill by:

- (1) Including federal laws in the scope of laws to be reviewed by LRB; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 754, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

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

**SCRep. 1051 Housing on S.B. No. 910**

The purpose of this bill is to transfer the functions and duties of the homeless programs branch of the Hawaii Public Housing Authority (HPHA) to the Support Services Division of the Department of Human Services.

The Department of Human Services (DHS), HPHA, Waianae Community Outreach, and Partners in Care supported this bill. The State Procurement Office commented on this bill.

Your Committee has amended this bill by deleting the language exempting DHS's contracts under the new chapter from Chapter 103F, Hawaii Revised Statutes, which establishes procurement procedures for purchases of health and human services.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 910, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1052 Public Safety on S.B. No. 560**

The purpose of this bill is to address the overrepresentation of persons of Hawaiian ancestry in the prison system by establishing a task force within the Office of Hawaiian Affairs (OHA) to study the disparate treatment of native Hawaiians and other ethnic groups in the State's criminal justice system, and report its findings to the Legislature prior to the Regular Session of 2010.

OHA, the African American Lawyers Association, Hawaii State Democratic Women's Caucus, American Civil Liberties Union of Hawaii testified in support of this bill. The State Procurement Office, Office of Information Practices, Community Alliance on Prisons, and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 560, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1053      Public Safety on S.B. No. 212**

The purpose of this bill is to ensure the safe and fair treatment of inmates housed in mainland correctional facilities by requiring privately owned prisons or out-of-state detention facilities holding prisoners under a contract with the State to follow the state freedom of information laws.

The Community Alliance on Prisons, Drug Policy Forum, and two concerned individuals supported this bill. The Office of Information Practices supported the intent of this measure. The Office of the Governor and Department of Public Safety opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1054      Public Safety on S.B. No. 231**

The purpose of this bill is to improve the operation and effectiveness of the State Council for Interstate Adult Offender Supervision by ensuring funding for the position of a full-time coordinator (Coordinator) to supervise interstate transfers of adult offenders by:

- (1) Requiring that all fees collected by the Judiciary for applications made by parolees and probationers for transfer to out-of-state supervision be deposited into the Probation Services Special Fund (Special Fund);
- (2) Authorizing the use of funds from the Special Fund for the Coordinator; and
- (3) Stipulating that the Judiciary's expenditures from the Special Fund are limited to \$400,000 in any fiscal year.

The Judiciary supported this bill. The Department of Budget and Finance opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 231, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1055      Public Safety on S.B. No. 619**

The purpose of this bill is to provide an inmate facing reentry into the community with a stake in that community through the reestablishment of the right to vote by allowing incarcerated persons who were Hawaii residents at the time of their arrest and who have no more than two years left before their release from imprisonment, to vote by absentee ballot in Hawaii's elections.

The Office of Hawaiian Affairs, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Democratic Party of Hawaii, League of Women Voters, African-American Lawyers Association, and several concerned individuals testified in support of this bill. A concerned individual supported this measure with amendments. The Office of the Governor testified in opposition to this bill. The Department of Public Safety provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 619, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.  
(Representative M. Lee voted no.)

**SCRep. 1056      Public Safety on S.B. No. 1147**

The purpose of this bill is to ensure that appropriate action is taken and resources are provided in times of emergency by:

- (1) Clarifying that the Governor has the authority to declare a disaster emergency; and
- (2) Requiring the Vice-Director of the Department of Defense's Civil Defense Division, after the Governor has proclaimed a disaster emergency, to report to the Governor, Legislature, and each county mayor on the disaster, including specified information.

The Department of Transportation supported this bill.

Your Committee has amended this bill by:

- (1) Extending the time by which general funds appropriated for specific earthquake disaster recovery projects by Act 78, Session Laws of Hawaii 2007, will lapse by one year to June 30, 2010; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1147, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1147, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1057      Public Safety on S.B. No. 967**

The purpose of this bill is to bring Hawaii's controlled substance laws in line with those of federal law by:

- (1) Adding new drugs to Hawaii's controlled substance laws to conform to changes made in the federal law;
- (2) Including consideration of a registrant's surrender of a federal controlled substance registration in determining whether the registrant's state registration should be suspended or revoked;
- (3) Authorizing and establishing procedures for pharmacies that electronically share a real-time, online database to transfer controlled substance prescriptions between their pharmacies; and
- (4) Specifying what information practitioners and pharmacists who dispense controlled substances are required to record in their log books.

The Department of Public Safety (PSD), Honolulu Police Department, Kaiser Permanente Hawaii, CVS Caremark Longs Drugs, and Walgreens Co. supported this bill.

Your Committee has amended this bill by:

- (1) Reinserting language deleted from the Senate Draft 1 of this bill as requested by PSD, authorizing administrative inspections of the premises and records, other than financial data, for establishments such as pharmacies that are authorized to dispense controlled substances; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1058      Public Safety on S.B. No. 1148**

The purpose of this bill is to ensure a successful reintegration into the community upon an inmate's release by clarifying various provisions of the comprehensive offender reentry system, including:

- (1) Requiring the Department of Public Safety (PSD) to develop written reentry plans within 90 days of an individual entering a correctional facility to be renewed annually;
- (2) Continuing a quarterly rotation system for Hawaii inmates in out-of-state prisons;
- (3) Requiring PSD to promote research regarding children with incarcerated parents;
- (4) Establishing a Reentry Commission under PSD;
- (5) Repealing on July 1, 2009, the Legislative Oversight Committee established to oversee PSD; and
- (6) Specifying that by December 31, 2010, the maximum number of Hawaii inmates who are housed in out-of-state prisons will not exceed 2,000.

The Drug Policy Forum, Hawaii Substance Abuse Coalition, American Civil Liberties Union of Hawaii, and two concerned individuals testified in support of this bill. The Department of Public Safety supported the intent of this measure. The Community Alliance on Prisons supported this bill with an amendment. A concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Increasing the membership of the Reentry Commission to eleven members with the additional member being a former inmate who has successfully been reintegrated into the community; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1148, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1148, S.D. 2, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1059 Economic Revitalization, Business, & Military Affairs on S.B. No. 614**

The purpose of this bill is to provide additional family leave benefits to military families by granting employees family leave to address family care, legal, and financial issues directly related to or resulting from the military deployment of an employee's child, spouse, reciprocal beneficiary, or parent.

The Department of Defense supported the intent of this bill. The Department of Labor and Industrial Relations and Department of Human Resource Development opposed this bill. The Chamber of Commerce of Hawaii submitted comments.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 614, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 1060 Economic Revitalization, Business, & Military Affairs on S.B. No. 896**

The purpose of this bill is to allow the Department of Defense (DOD) to comply with federal wage constraints by exempting positions in the Hawaii National Guard's adult education programs from civil service requirements.

DOD supported this bill.

Your Committee respectfully requests the Committee on Labor and Public Employment to examine the civil service issues involved with this measure, as this subject matter falls under the purview of that committee.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 896, S.D. 1, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 1061 Economic Revitalization, Business, & Military Affairs on S.B. No. 623**

The purpose of this bill is to increase access to higher education for Hawaii National Guard (HNG) members by:

- (1) Allowing all commissioned HNG officers and HNG members working toward a graduate degree to be awarded tuition assistance;
- (2) Specifying that undergraduate students have priority when tuition assistance is awarded; and
- (3) Appropriating general revenue funds for tuition assistance awards given to HNG members.

The Department of Defense supported this bill.

Your Committee respectfully requests the Committee on Finance to consider the funding issues surrounding this bill in light of current fiscal difficulties.

Your Committee has amended this bill by:

- (1) Removing the appropriation;
- (2) Changing the effective date as to the remaining section; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 623, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 623, S.D. 1, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 1062 Economic Revitalization, Business, & Military Affairs on S.B. No. 1276**

The purpose of this bill is to amend the Small Business Regulatory Flexibility Act by:

- (1) Requiring the Small Business Regulatory Review Board (Board) to determine the impact of proposed rules on small businesses;
- (2) Adding definitions of "county" and "State";
- (3) Amending the definitions of "affected small businesses" and "agency";
- (4) Increasing the number of board members from 11 to 13;
- (5) Removing the restriction that the chairperson shall serve a term of not more than one year;

- (6) Codifying the Small Business Bill of Rights from Act 230, Session Laws of Hawaii 2008, section 2; and
- (7) Making other non-substantive changes.

The Board, Department of Business, Economic Development, and Tourism, The Chamber of Commerce of Hawaii, National Federation of Independent Business, and Hawaii Business League supported this bill.

Your Committee has amended this bill by replacing its contents with the substance of H.B. No. 1428, H.D. 1. As amended:

- (1) The effective date has been changed to January 1, 2112; and
- (2) The bill also contains technical, nonsubstantive differences.

Your Committee respectfully requests the Committee on Judiciary, to which this bill is next referred, to consider the amendments requested by the Board.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Berg.

**SCRep. 1063 Labor & Public Employment on S.B. No. 1568**

The purpose of this bill is to assist individuals who need financial assistance during difficult economic times by extending unemployment insurance benefits to:

- (1) An individual for whom a majority of the weeks of work in the individual's base period includes part-time work and who is seeking only part-time work; and
- (2) An individual who is separated from employment for a compelling family reason, including:
  - (A) Domestic violence;
  - (B) Illness or disability of a member of the individual's immediate family; or
  - (C) The need for the individual to accompany the individual's spouse because of a change in the location of the spouse's employment.

The Department of Labor and Industrial Relations, ILWU Local 142, and Hawaii Government Employees Association testified in support of this bill. The National Federation of Independent Business in Hawaii opposed this measure.

Hawaii, as well as the rest of the nation, is currently facing the direst economic situation since World War II. As such, many individuals are limited in their employment options, often turning to part-time employment to earn income. However, this part-time income is generally not enough to provide adequate financial support, especially if the individual is supporting a family. Under current law, it would be difficult for part-time workers to receive any kind of unemployment assistance because of their part-time employment status. Your Committee finds that by allowing an individual who is working part-time to be eligible for unemployment benefits will assist these individuals in meeting their financial needs until such time that full-time employment becomes available.

Additionally, your Committee notes that other individuals who may not necessarily fall under the criteria established under current law may also be in need of unemployment assistance. These individuals include persons separated from employment through no fault of their own and include compelling family reasons such as situations involving domestic violence, a sudden family illness, or the sudden change of location of a spouse's job. Allowing these individuals to receive unemployment benefits will also help them meet their financial obligations.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1064 Labor & Public Employment on S.B. No. 1203**

The purpose of this bill is to promote community service and volunteerism among Hawaii residents between the ages of 15 and 18 by:

- (1) Requiring the Department of Labor and Industrial Relations (DLIR) to establish a voluntary program to allow state residents between the ages of 15 and 18, inclusive, to serve a minimum of five-hundred hours of community service;
- (2) Providing \$3 per hour in scholarship funds to participants in this voluntary program to be used to finance any educational program chosen by the participant until the age of 30;
- (3) Establishing a trust fund within the Office of Community Services (OCS) to receive the scholarship funds for the participants' use;
- (4) Requiring DLIR to prepare a plan, with the assistance of all state executive agencies, for the implementation of the mandatory community service plan;
- (5) Requiring DLIR to submit initial and final reports to the legislature that include findings, recommendations, and proposed legislation regarding the mandatory community service plan; and
- (6) Requiring the Attorney General to advise OCS on the legal issues involved in operating and administering this program.

The Hawaii Association of Independent Schools testified in support of this bill. OCS supported the intent of this measure.

Community service and volunteerism not only provide students with real world experiences but also serve to teach these students civic responsibility. The establishment of a voluntary community service program which also provides scholarship funds to individuals will afford community service providers with much needed volunteer support and provide students with a means of earning scholarship funds to further their educational goals.

Your Committee notes that a measure currently being considered by the Legislature, S.B. No. 905, seeks to transfer OCS from DLIR to the Department of Human Services. Should S.B. No. 905 pass, your Committee finds that it will be necessary for this measure to be amended to reflect the new department to which OCS will be administratively attached.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1065 Labor & Public Employment on S.B. No. 905**

The purpose of this bill is to improve the effectiveness and the efficiency of the Office of Community Services (OCS) by transferring OCS from the Department of Labor and Industrial Relations (DLIR) to the Department of Human Services (DHS).

DLIR, DHS, OCS, Goodwill Industries of Hawaii, Inc., Catholic Charities Hawaii, and the Hawaii Immigrant Justice Center testified in support of this bill.

OCS was initially created to consolidate a number of programs that dealt with economic and personal self-sufficiency under one office. At that time, the main focus of OCS was on programs that assisted individuals with the attainment and maintenance of employment, which fit well under the purview of DLIR. However, with changing times, OCS has also changed its core mission from training programs that ready people for employment to programs that are more supportive in nature, particularly for low-income individuals, immigrants, and refugees, yet are still linked to employment programs. The very nature of this shift in focus makes the transfer of OCS from DLIR to DHS logical.

However, your Committee notes that several of the programs under OCS still retain employment-related purposes and that these programs should remain under the jurisdiction of DLIR.

Accordingly, your Committee has amended this bill by stipulating that employment core services and employment creation programs for low-income individuals, immigrants, and refugees shall remain a function of DLIR.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 905, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 905, S.D. 2, H.D. 1, and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1066 Labor & Public Employment on S.B. No. 667**

The purpose of this bill is to provide additional employment protections to public employees who report, or are about to report, either on their own behalf or through an individual acting on behalf of the public employee:

- (1) Any violation of a federal, state, or local law, rule, ordinance, or regulation;
- (2) Any specified action by a public employer or a public employee that is undertaken in the performance of official duties, that is a fraudulent activity, a gross waste of funds, gross misconduct, abuse of authority, or violation of a well-established, articulated, clear, and compelling public policy; or
- (3) Any condition that may significantly threaten the health or safety of the public or the public employee, provided that the disclosure is made for the purpose of remedying the condition.

The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of the Attorney General, Hawaii Council of Mayors, and Department of Human Resources of the County of Hawaii testified in opposition to this bill.

The Whistleblowers' Protection Act was enacted to protect employees who report violations of federal, state, and local laws, regulations, or any other illegal activity performed by an employer. This bill would afford additional protections for a broader range of complaints and violations reported by public employees.

Although no testimony was received in support of this measure, your Committee finds that greater protections for public employees who report improper actions deserve further consideration.

Your Committee has amended this bill by:

- (1) Removing language specifying that the reporting of any action by a public employer or a public employee that is undertaken in the performance of official duties, that is a fraudulent activity, a gross waste of funds, gross misconduct, abuse of authority, or violation of a well-established, articulated, clear, and compelling public policy, is covered under the Whistleblowers' Protection Act; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1067 Labor & Public Employment/Economic Revitalization, Business, & Military Affairs on S.B. No. 782**

The purpose of this bill is to reduce the economic effects of domestic or sexual violence on employers and employees by providing unemployment insurance benefits to individuals who are separated from their employment as a result of domestic or sexual violence.

The Domestic Violence Action Center and Sex Abuse Treatment Center testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) supported the intent of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu supported this bill with amendments.

Victims of domestic violence are often at greater risk of losing their employment. Often, domestic abusers, as a means of maintaining control over their victim, target their victim's places of employment and their ability to remain financially self-sufficient. By allowing victims of domestic or sexual violence to be eligible for unemployment benefits if they are forced to leave their jobs due to the effects of their victimization, they will retain the means to be financially secure. Your Committees find that this will strengthen the safety and security of victims of domestic or sexual violence.

Your Committees have amended this bill by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 782, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 782, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi, Tokioka, Wakai, Pine and Ward.

**SCRep. 1068 Hawaiian Affairs on S.B. No. 1108**

The purpose of this bill is to allow the Aha Kiole Advisory Committee (Advisory Committee) to complete its work by:

- (1) Extending the repeal date of the Advisory Committee from June 30, 2009, to June 30, 2011; and
- (2) Requiring the Advisory Committee to submit reports to the Legislature prior to the 2010 and 2011 Regular Session.

The Advisory Committee, Association of Hawaiian Civic Clubs, Ko'olaupoko Hawaiian Civic Club, and a concerned individual supported this bill. The Office of Hawaiian Affairs (OHA), Kawaihapai Ohana, and several concerned individuals opposed this bill. The Department of Land and Natural Resources submitted comments.

Your Committee believes that restoration of resource management in Hawaii through the Aha Moku Council System (System) would be a powerful force in strengthening and revitalizing Hawaiian culture and Hawaiian communities. Your Committee requests OHA to actively participate in the meetings being held to initiate formation of the System and work toward alleviating concerns raised regarding whether Hawaii's communities are being properly consulted and represented in the System.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1108 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Mizuno and Yamane.

**SCRep. 1069 Hawaiian Affairs on S.B. No. 579**

The purpose of this bill is to promote the use of the Hawaiian language by requiring that, beginning January 1, 2011:

- (1) All state and county letterheads and documents must include accurate and appropriate Hawaiian names and words; and
- (2) The Hawaiian language must be used on all symbols and emblems representative of the State and the counties.

The Association of Hawaiian Civic Clubs and several concerned individuals supported this bill. The Department of Accounting and General Services supported the intent of this bill. One concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Removing documents from the items required to include accurate and appropriate Hawaiian names and words; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 2, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee except Representatives Mizuno and Yamane.

**SCRep. 1070 Hawaiian Affairs on S.B. No. 1085**

The purpose of this bill is to establish a procedure for transfers of "public trust lands," as defined in section 171-18, Hawaii Revised Statutes by:



- (1) Prohibiting the sale or transfer of public trust lands until one of the following occurs:
  - (A) The claims of the native Hawaiian people to the public trust lands are resolved;
  - (B) The Legislature adopts a concurrent resolution by two-thirds vote of both houses finding that reconciliation between the State and the native Hawaiian people is no longer supported; or
  - (C) December 31, 2014;
- (2) Once one of the specified events occurs, allowing the State to sell public trust lands where there is a compelling State interest and no other alternative, and the transfer is approved by the Legislature by two-thirds vote of both houses;
- (3) Requiring the proceeds from the sale of public trust lands to be used to acquire lands to be held in the public trust; and
- (4) Exempting easements for public utilities and the government, remnants, and land exchanges from these prohibitions and procedures.

Kamehameha Schools, Kupuaina Coalition, the Koolaupoko Hawaiian Civic Club, the Waimea Hawaiian Homesteaders' Association, Inc., and many concerned individuals supported this bill. The Attorney General and a concerned individual opposed this bill. The Office of Hawaiian Affairs, Department of Land and Natural Resources, Association of Hawaiian Civic Clubs, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive revisions for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1085, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1085, S.D. 2, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee except Representatives Mizuno and Yamane.

**SCRep. 1071 Economic Revitalization, Business, & Military Affairs/Agriculture on S.B. No. 1248**

The purpose of this bill is to help agricultural and manufacturing businesses in the State Enterprise Zones Program (Program) survive and grow during these difficult economic times by:

- (1) Allowing limited liability companies to qualify for the Program;
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements;
- (3) Extending Program tax credits for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products; and
- (4) Extending the general excise tax exemption to a contractor's gross proceeds for construction in an enterprise zone for a business approved to enroll in the Program.

The County of Hawaii Department of Research and Development, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, DataHouse Consulting, Inc., Island Princess, Hawaii Aquaculture Association, Oils of Aloha, Hawaii Agriculture Research Center, and Tradewinds Forest Products testified in support of this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism, Department of Agriculture, Hawaii Crop Improvement Association, and Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Deleting references to genetically-engineered products, including genetically-engineered agricultural products from the Program;
- (2) Changing the effective date to July 1, 2012, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1248, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1248, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 1072 Economic Revitalization, Business, & Military Affairs on S.B. No. 687**

The purpose of this bill is to provide for a timely review of procurement code decisions by requiring:

- (1) A final administrative decision to be issued within 30 days of receipt of the request for hearing; and
- (2) A judicial decision within 30 days of filing of the application for judicial review.

In addition, if the 30-day limit is not met, the administrative body or court loses jurisdiction, and the procurement award may not be disturbed.

The Laborers' International Union of North America, Local 368 and Hawaii Building and Construction Trades Council, AFL-CIO supported this bill. The State Procurement Office and the Department of Accounting and General Services supported the intent of this measure. A concerned individual opposed this bill, and the Department of Commerce and Consumer Affairs offered comments.

Your Committee believes that bills similar to this, intended to streamline and reduce delays in the procurement process, are essential to making state projects "shovel-ready" for federal economic stimulus moneys. In addition, our ability to expend moneys from the American Recovery and Reinvestment Act of 2009 for economic stimulus projects in Hawaii will affect our receipt of federal stimulus funds in the future.

However, your Committee also has concerns that this expedited procedure might not provide sufficient time to resolve protests that are highly technical, or that for some other good reason require more time to decide. Accordingly, your Committee respectfully requests the Committee on Judiciary, to which this bill is next referred, to consider whether establishing a waiver for these kinds of protests is warranted.

Your Committee has amended this bill by inserting the provisions of H.B. No. 638, H.D. 1 into this bill to expedite the awarding of public contracts by discouraging frivolous or bad-faith protests. More specifically, this amendment:

- (1) Requires the dismissal of a protest of an award or contract if the protest is based on an inadvertent error in a bid that is less than one percent of the protester's bid amount;
- (2) Allows an administrative review of a protest decision if:
  - (A) The protest concerns a matter that is equal to no less than ten percent of the total estimated value of the contract; and
  - (B) The initiating party pays a cash or protest bond in an amount equal to one percent of the total estimated value of the contract for contracts of \$1,000,000 or more;
 and
- (3) Provides that if the initiating party does not prevail, the cash or protest bond is forfeited.

To encourage further discussion, the effective date has been changed to July 1, 2112. Technical, nonsubstantive amendments were also made for consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Berg.

**SCRep. 1073 Economic Revitalization, Business, & Military Affairs on S.B. No. 1680**

The purpose of this bill is to establish a high-speed communications infrastructure in Hawaii that will enhance our ability to compete in the global economy. This bill implements key recommendations of the Hawaii Broadband Task Force by, among other things:

- (1) Consolidating regulation of cable and telecommunications providers in a new chapter of the Hawaii Revised Statutes, under a Hawaii Broadband Commissioner (Commissioner), attached to the Department of Commerce and Consumer Affairs;
- (2) Requiring the Commissioner to investigate, promote, and ensure the growth and development of broadband infrastructure within the state;
- (3) Allowing the Commissioner to fully or partially exempt telecommunications carriers from regulation increase broadband competition, availability, and affordability;
- (4) Authorizing the Commissioner to apply for and receive federal moneys under the American Recovery and Reinvestment Act of 2009 and other applicable federal acts for the purposes of developing broadband;
- (5) Requiring the Commissioner to establish a work group to investigate and recommend procedures to streamline and expedite permitting of broadband services and technology and report to the Legislature; and
- (6) Requiring the Legislative Reference Bureau to review Hawaii statutes on broadband technology, telecommunications, and related subjects, and recommend conforming amendments and those that facilitate implementation of the new chapter.

The Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Akaku: Maui Community Television, Olole Community Television, Connected Nation, and many concerned individuals supported this bill. The Public Utilities Commission, Hawaiian Telcom, Community Media Producers Association, and several concerned individuals supported the intent of this measure. The Department of Commerce and Consumer Affairs, State Procurement Office, Chair of the Hawaii Broadband Task Force, Verizon, AT&T, Oceanic Time Warner Cable, TW Telecom, and several concerned individuals offered comments.

As this and similar measures have progressed through the legislative process it has become increasingly clear that the parties must sit down together and develop solutions to their concerns. At the same time, your Committee feels a sense of urgency concerning the passage of this measure or a similar measure allowing the State to receive, coordinate, and maximize the benefits that can be obtained from the federal moneys currently available for state broadband infrastructure and related projects.

As this bill must move quickly through the legislative process, your Committee has identified and made several amendments to this bill that are not the subject of contention and that make the bill revenue neutral:

- (1) Reducing the cap on the fee set by the Commissioner from three-tenths to one-fourth of one percent of the gross income from the telecommunications carrier's business during the preceding year;
- (2) Removing a provision that would have allowed the Commissioner to use discretion to impose additional fees on telecommunications carriers; and

- (3) Changing the effective date to July 1, 2112, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1680, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Berg.

**SCRep. 1074 Health on S.B. No. 420**

The purpose of this bill is to increase access to health care services by:

- (1) Authorizing the issuance of temporary licenses for out-of-state naturopathic physicians in times of emergency; and
- (2) Expanding the allowable scope of practice of naturopathic physicians by allowing naturopathic physicians who have proper training to give injections, obtain federal Drug Enforcement Agency registration, and prescribe formulary medications.

The Hawaii Society of Naturopathic Physicians and numerous concerned individuals supported this bill. The Board of Examiners in Naturopathy (Board) supported this measure with amendments. The Department of Public Safety and Hawaii Medical Association opposed this bill. The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office submitted comments.

Your Committee has amended this bill by:

- (1) Deleting provisions authorizing naturopathic physicians to prescribe controlled substances;
- (2) Requiring that rules adopted, amended, or repealed by the Board establish standards of practice, care and ethics; require licensees to complete educational courses and training for parenteral therapy; establish requirements for parenteral therapy; and establish requirements for examination on minor office procedures; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 420, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 420, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1075 Energy & Environmental Protection on S.B. No. 1260**

The purpose of this measure is to eliminate a loophole that exempts covered source permit holders from paying fees to the Department of Health for emissions of a regulated air pollutant in excess of four thousand tons per year.

Your Committee received testimony in support of this measure from Blue Planet Foundation and the Sierra Club, Hawaii Chapter. Testimony in opposition was received from the Department of Health.

Your Committee finds that under the current law, covered source permit holders are not assessed for emissions of a regulated air pollutant in excess of four thousand tons per year. Your Committee finds that the exemption is inequitable for covered source permit holders that emit fewer than four thousand tons of pollutants per year. Moreover, your Committee finds that this exception is a disincentive to large polluters to reduce pollution once their emissions exceed four thousand tons annually. Further, your Committee estimates that the Department of Health will realize approximately \$230,000 in additional revenues as a result of the removal of the exemption.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1076 Energy & Environmental Protection on S.B. No. 242**

The purpose of this measure is to assist businesses engaged in producing air conditioning from seawater air conditioning district cooling systems by including them within the definition of "qualified business" for the purposes of state enterprise zone laws.

This measure also exempts businesses engaged in producing air conditioning from seawater air conditioning district cooling systems from the payment of general excise taxes to the same extent of other qualified businesses under the enterprise zone law.

Honolulu Seawater Air Conditioning, LLC and the Hawaii Renewable Energy Alliance testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Department of Taxation testified in opposition to the measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that this measure could reduce our dependence on imported oil and generate construction spending and jobs. However, your Committee also notes the Department of Business, Economic Development, and Tourism's concerns that seawater air conditioning cooling systems do not fit within the traditional model of a business in an enterprise zone, and that these systems are site specific and thus not all of their installations may be located within one of the enterprise zones across the State. However, your Committee finds that these concerns and issues are within the purview of the subsequent committees.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1077 Energy & Environmental Protection on S.B. No. 606**

The purpose of this measure is to authorize boards of directors of condominium associations to install or allow the installation of solar energy or wind energy devices on condominium common elements under appropriate circumstances.

The Hawaii Council of Associations of Apartment Owners, the Hawaii Solar Energy Association, and the Sierra Club, Hawaii Chapter, testified in support of the measure. The Department of Business, Economic Development, and Tourism testified in support of the intent of the measure.

Your Committee finds that allowing the installation of solar energy and wind energy devices on the common elements of condominium projects would provide a significant source of clean, renewable energy, while also benefitting the condominium associations economically. Your Committee also finds that the installation of solar energy and wind energy devices will result in a reduced dependence on fossil fuels and increase the use of renewable energy resources in the State.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1078 Energy & Environmental Protection on S.B. No. 868**

The purpose of this bill is to help coordinate the development of the State's energy resources while addressing the need for renewable energy by:

- (1) Updating definitions in the statutes to accommodate changes in the State's energy resources, markets, and systems;
- (2) Establish necessary policy guidance to ensure adequate detail on the nature and relationship of the energy data analysis functions of the state energy resources coordinator and energy program; and
- (3) Provide the statutory basis for a systematic State energy analytic capacity and capability.

The Department of Business, Economic Development & Tourism and Blue Planet Foundation supported this bill. Honolulu Seawater Air Conditioning, LLC supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Including a consideration of thermal applications of various sources of energy in the definition of "energy resources" to make it more consistent with the proposed definition of "energy"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1079 Energy & Environmental Protection on S.B. No. 1671**

The purpose of this measure is to prohibit the construction of new or expansion of existing fossil fuel-powered electrical generation facilities in the State.

Specifically, this measure:

- (1) Prohibits the Department of Health from issuing an air pollution permit for the construction or expansion of a fossil fuel-powered electricity-generating public utility with a rated capacity of more than two megawatts after July 1, 2009; and
- (2) Prohibits the Public Utilities Commission from approving an application by a public utility to construct a new fossil fuel-powered electrical generation facility with a rated capacity of more than two megawatts after July 1, 2009; and
- (3) Provides an exception to the foregoing prohibitions for an electrical utility cooperative association between July 1, 2009, and July 1, 2015.

Testimony in support of this measure was submitted by the Department of Health, the Hawaii chapter of the Sierra Club, and Blue Planet Foundation. Testimony in opposition to this measure was submitted by the Department of Business, Economic Development, and Tourism and Kauai Island Utility Cooperative. Comments were submitted by the Public Utilities Commission, Hawaiian Electric Company, Inc., and Life of the Land.

Your Committee finds that it is crucial to the clean energy future of the State to limit the expansion of fossil-fuel powered electricity generation. This will have the effects of reducing carbon emissions, increasing the use of renewable energy sources, and increasing the State's energy independence.

Your Committee has amended this measure by:

- (1) Deleting the prohibition against construction or expansion of covered sources from the State's air pollution control act, chapter 342B, Hawaii Revised Statutes;
- (2) Redrafting the provision prohibiting the Public Utilities Commission's approval of new electrical generation facilities as a new section in chapter 269, Hawaii Revised Statutes, rather than as part of provisions establishing renewable portfolio standards;
- (3) Creating a new section in chapter 196, Hawaii Revised Statutes, that prohibits any state or county agency from issuing a permit for the construction or operation of any new facility that produces electrical energy solely from the combustion of any type of fossil fuel;
- (4) Providing for exemptions to the foregoing prohibitions for extraordinary circumstances, as determined by the Public Utilities Commission, and when the electric generation unit is primarily used to serve the facility's own internal operation and has a rated capacity of less than two megawatts; and
- (5) Deleting the specific exemption from the prohibitions for electrical utility cooperative associations.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1671, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1671, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1080 Energy & Environmental Protection on S.B. No. 605**

The purpose of this measure is to establish noise standards based on the dBC decibel measurement weighting system.

More specifically, this measure:

- (1) Requires the county liquor commissions, with the assistance from the Department of Health and the Department of Labor and Industrial Relations, to develop recommendations for a permanent maximum noise level, in decibels, for liquor establishments;
- (2) Requires the Department of Health to adopt rules that include both dBA and dBC weighted measurements for community noise control;
- (3) Allows the Department of Health and county liquor commissions to regulate nighttime noise levels measured at between fifty and sixty decibels, using the dBC weighting system;
- (4) Establishes a maximum permissible nighttime sound level of sixty decibels for bass sound (using the dBC weighting system), measured at a complainant's site, unless the complainant's site is in close proximity to an area zoned mixed-use or residential, in which case, the maximum permissible sound at nighttime is fifty decibels dBC; and
- (5) Defines dBA, dBC, and decibel.

The Honolulu Liquor Commission, Mililani Town Association, Chinatown Gateway Plaza Tenant Association, and two individuals provided testimony in support of this measure. The Department of Health and the General Contractors Association of Hawaii provided testimony in opposition of this measure.

Your Committee finds that noise levels presently are measured on the dBA scale that does not include low frequency sounds measured by the dBC scale. Thus the current maximum noise level is too high to address intense low frequency level noise, usually from music venues and nightclubs that causes vibration in structures that leads to shaking adjacent residential dwelling units and personal property. Your Committee finds that using the dBC scale in conjunction with the dBA scale will provide more comprehensive noise rules and regulations necessary for adequate community noise control.

Your Committee is aware of the Department of Health's concern over a lack of resources to implement this measure. However, your Committee notes that, given the studies that are available on the dBC weighting system standard, the Department has expressed a willingness to reconsider its position.

Your Committee has amended this measure by defining "nighttime" as between the hours of 10:00 p.m. and 7:00 a.m. and by making technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Luke, Ching and Thielen.

**SCRep. 1081 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 1173**

The purpose of this measure is to establish energy-efficiency initiatives necessary for and contributing to the transition of Hawaii's energy sector to non-petroleum sources.

More specifically, this measure:

- (1) Establishes an energy-efficiency portfolio standard and directs the Public Utilities Commission to create all necessary parameters to implement the energy-efficiency portfolio standard;
- (2) Designates the Public Benefits Fee Administrator as responsible for achieving the energy-efficiency portfolio standards;
- (3) Directs the Public Utilities Commission to evaluate the energy-efficiency portfolio standards and to revise the standards if appropriate;
- (4) Requires each state department with responsibilities for design and construction of public buildings and facilities to benchmark existing buildings so that energy-efficiency may be evaluated;

- (5) Allows state departments to enter into energy savings performance contracts with third parties and establishes the parameters and procedures for those contracts;
- (6) Requires that existing public buildings be retro-commissioned not less than every five years, pursuant to guidelines created by the Energy Resources Coordinator;
- (7) Requires that energy consumption information be disclosed by the seller or lessor in the sale or lease of real property;
- (8) Authorizes a tax credit for each taxpayer who owns a net-zero energy building;
- (9) Directs the Public Benefits Fee Administrator to conduct energy-efficiency assessments to identify energy use patterns in the State and to identify and recommend energy-efficiency programs to target;
- (10) Directs the Public Benefits Fee Administrator to establish on-bill financing programs to encourage consumer acquisition of efficient electrical appliances and energy producing systems;
- (11) Requires the Public Benefits Fee Administrator to examine building codes and to develop and implement recommendations for increasing energy-efficiency for residential and commercial buildings;
- (12) Requires the Public Benefits Fee Administrator to establish programs and information to educate financial institutions, mortgage brokers, and consumers on the economics of energy-efficient properties;
- (13) Requires the Public Benefits Fee Administrator to process variances from solar water installations required under chapter 196, Hawaii Revised Statutes; and
- (14) Revises the renewable energy technologies income tax credit to encourage use of solar energy systems and to permit a portion of the excess of the credit over payments due to be refunded to the taxpayer in certain circumstances.

The Department of Accounting and General Services, the Department of Business, Economic Development, and Tourism, the Department of Taxation, the Public Utilities Commission, Hawaiian Electric Company and its subsidiary utilities, the Blue Planet Foundation, the Hawaii Energy Policy Forum, and the Sierra Club, Hawaii Chapter, testified in support of the measure. The Hawaii Renewable Energy Alliance and Honolulu Seawater Air Conditioning, LLC testified in support of the intent of the measure. The Hawai'i Association of Realtors testified in opposition of the measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that this measure will provide a necessary first step in aligning Hawaii's energy policy laws in order to achieve the State's energy goals. However, your Committee also notes that the Department of Business, Economic Development, and Tourism estimates, and the Department of Taxation concurs, that the revenue loss attributable to the net-zero energy building tax credit will be \$450,000 in fiscal year 2010 and \$900,000 annually in fiscal years 2011 through 2015.

Your Committee has amended this measure by:

- (1) Deleting the contents of section 1, describing the purpose of the measure, and replacing it with language from H.B. No. 1464, H.D. 3;
- (2) Revising the energy-efficiency portfolio standards by establishing goals for statewide electricity use reductions and by designating the Public Utilities Commission, instead of the Public Benefits Fee Administrator, as being responsible for achieving the energy-efficiency portfolio standards;
- (3) Providing that, beginning in 2015, energy savings from the use of renewable displacement or off-set technologies shall count toward energy-efficiency portfolio standards;
- (4) Providing that electric utility companies and their affiliates may aggregate their efficiency portfolios in order to achieve energy-efficiency portfolio standards;
- (5) Deleting the requirement that benchmarking tools other than the ENERGY STAR portfolio management tool be designated by the public benefits fee administrator;
- (6) Clarifying that energy consumption information must be disclosed during the sale of lease of real property beginning January 1, 2010;
- (7) Requiring the Energy Coordinator to develop format and content guidelines to assist in the disclosure of energy consumption information during the sale of lease of real property;
- (8) Deleting the amendments to the renewable energy technologies income tax credit; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1173, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1173, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1082 Energy & Environmental Protection/Housing on S.B. No. 1338**

The purpose of this measure is to provide that the relevant governing documents for single family residential dwellings and townhouses may not prohibit the use of clotheslines on those properties, subject to reasonable restrictions that do not impair the effective use of the clotheslines. The measure accomplishes this by including clotheslines as "solar every device" for purposes of section 196-7, Hawaii Revised Statutes, relating to placement of solar energy devices.

This measure also amends section 235-12.5, Hawaii Revised Statutes, to specify that the allowable tax credit for the installation of "renewable energy technology systems" or "solar or wind energy systems" does not include skylights, windows, or clotheslines.

Testimony in support of this measure was submitted by Blue Planet Foundation, the Hawaii Chapter of the Sierra Club, and The Gas Company. Testimony in opposition to this measure was submitted by the Mililani town Association, the Land Use Research Foundation of Hawaii, and one concerned individual.

Your Committee finds that the use of clothes dryers makes up a significant percentage of many residential households' annual energy use. This energy use contributes to increased carbon emissions and global warming. Your Committee further finds that the increased use of clotheslines for the purpose of drying laundry would reduce the amount of fossil energy used to power clothes dryers and reduce carbon emissions. Accordingly, your Committee finds that property restrictions and governing documents for single family homes and townhouses should not prevent the use of clotheslines for drying laundry.

Your Committee has amended this measure by deleting its contents and inserting the contents of House Bill No. 1273, H.D.1. The measure, as amended:

- (1) Provides for a new section added to chapter 196, Hawaii Revised Statutes, establishing substantially the same prohibitions for restrictions on the placement of clotheslines on the premises of single-family residences or townhouses, but without reference to clotheslines as solar energy devices; and
- (2) Deletes the clarification of section 235-12.5, Hawaii Revised Statutes, that clotheslines are not a "renewable energy technology system" or "solar or wind energy device" for the purpose of claiming the tax credit.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1338, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1083 Energy & Environmental Protection on S.B. No. 1202**

The purpose of this bill is to help reduce Hawaii's dependence on imported fossil fuels by taking the initial steps necessary to develop an electric vehicle infrastructure by, among other things:

- (1) Including the research and development of nonfossil fuel and energy efficient modes of transportation as one of the State's economic growth objectives;
- (2) Requiring the designation of parking spaces for electric vehicles in public, private, and government parking lots; and
- (3) Requiring state and county agencies to seek vehicles with reduced dependence on petroleum-based fuels, in accordance with a priority list, when purchasing new vehicles.

The Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., Enterprise Honolulu – Oahu Economic Development Board, Hawaii Energy Policy Forum, and Sierra Club – Hawaii Chapter supported this bill. Better Place Hawaii and the Blue Planet Foundation supported this measure with amendments. The Department of Business, Economic Development & Tourism and Department of Transportation supported the intent of this bill. The Public Utilities Commission provided comments.

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

- (1) Clarifying the designation requirement of parking spaces for electric vehicles and including a staggered percentage scale;
- (2) Specifying an effective date for the reservation of parking spaces for electric vehicles and specifying the warning period for violators;
- (3) Including a penalty of not less than \$50 and not more than \$100 for parking a non-electric vehicle in a stall reserved for electric vehicles;
- (4) Clarifying the definition of "light-duty vehicle"; and
- (5) Establishing the Transportation Energy Transformation Grant Fund Program (Grant Program) to:
  - (A) Provide grants to acquire electric vehicles and develop infrastructure to support the use of electric vehicles; and
  - (B) Fund administrative and other costs associated with the Grant Program;
 and
- (6) Changing the effective date to July 1, 2009, provided that the Grant Program shall be repealed on June 30, 2013.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1202, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1202, S.D. 2, H.D. 1, and be referred to the Committees on Transportation and Economic Revitalization, Business, & Military Affairs.

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

**SCRep. 1084 Energy & Environmental Protection on S.B. No. 1258**

The purpose of this bill is to encourage the development of renewable energy in the state. Specifically, this measure, among other things:

- (1) Specifies that, beginning in 2015, electrical energy savings shall not count towards renewable energy portfolio standards;
- (2) Revises the requirements of renewable energy portfolio standards for electric utilities by increasing the 2020 standard to 25 percent and establishing a 40 percent standard to be met by 2030;
- (3) Directs the Energy Resources Coordinator (Coordinator) to develop programs and incentive plans for renewable energy resources;
- (4) Amends the definition of a "qualified business" under the State Enterprise Zone program (EZ Program) to include an entity engaged in the development or production of fuels or thermal or electrical energy from renewable resources;
- (5) Clarifies the permitting duties of the Renewable Energy Facilitator;
- (6) Allows, under the definition of "renewable energy facility" in the Renewable Energy Facility Siting Process Law (Facility Siting Law), certain biofuel facilities and electricity production facilities to apply to the Coordinator to be designated as a "renewable energy facility";
- (7) Provides that renewable energy facility permits shall be deemed approved if a permitting agency does not act on the applicable permit within a specific time period; and
- (8) Appropriates funds out of the Renewable Energy Facility Siting Special Fund to be used for the purposes of the Special Fund.

The Department of Business, Economic Development, and Tourism, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported this bill. Sierra Club, Hawaii Chapter and Blue Planet Foundation supported this bill with amendments. The Department of Taxation, Public Utilities Commission (PUC), Honolulu Seawater Air Conditioning, LLC, and Life of the Land submitted comments.

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

- (1) For renewable energy portfolio standards:
  - (A) Establishing that electrical energy savings, beginning January 1, 2015, shall not include customer-sited grid-connected photovoltaic systems; and
  - (B) Specifically including ocean thermal energy conversion under the definition of "renewable energy";
- (2) Amending, under the Net Energy Metering Law, the definition of:
  - (A) An "eligible customer-generator" by including customers of an electric utility that leases or purchases electricity from a solar, wind turbine, biomass, or hydroelectric energy generating facility, or a hybrid system consisting of two or more of these facilities; and
  - (B) "Net energy metering" by prohibiting the electric utility from unreasonably denying, burdening, or delaying an eligible customer-generator's request to participate in net energy metering;
- (3) Allowing eligible customer-generators with existing net energy metering contracts the option of maintaining these contracts, rather than converting to any new alternative credits or compensation mechanisms established by the PUC;
- (4) Specifically including ocean thermal energy conversion under the definition of "qualified business" under the EZ Program;
- (5) Deleting the revision to the definition of "renewable energy facility" in the Facility Siting Law, and, instead, clarifying that "renewable energy facility" means a new facility located in the state with the capacity to produce from renewable energy between five megawatts and 200 megawatts of electricity, or a biofuel production facility with a capacity to produce one million gallons annually;
- (6) Making the requirement that a permitting agency shall give the Coordinator a status report on actions taken on a Coordinator-approved permit plan application after the Coordinator has given at least 30 days notice to the permitting agency of the requirement of the permit plan application process and the permit is not approved or denied in 12 months; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1258, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1085 Hawaiian Affairs on S.B. No. 995**

The purpose of this bill is to make progress toward satisfying the State's constitutional obligation to provide the Office of Hawaiian Affairs (OHA) with a pro rata portion of the income and proceeds from lands in the public lands trust for the period from November 7, 1978, to July 1, 2009, by:

- (1) Determining the dollar amount owed OHA for that time period;
- (2) In partial satisfaction of that obligation, conveying in fee simple to OHA, certain lands in Kakaako Makai, bordered by Kalihi Stream and Moanalua Stream, and on Mauna Kea, as well as Kahana Valley and Beach Park, La Mariana and submerged lands, Heeia meadowlands, and state-owned fishponds statewide;
- (3) Authorizing OHA to reject any of the properties to be conveyed, by the later of October 1, 2009, or six months after the State has provided OHA access to documents and property necessary for a due diligence investigation of the property by OHA;



- (4) Requiring the lands to be held by OHA in the public trust and transferred to the sovereign native Hawaiian entity upon its recognition by the United States and the State; and
- (5) Exempting lands conveyed under this bill from the definition of "public lands" in Chapter 171, Hawaii Revised Statutes, and from the Kakaako Community Development District.

Historic Hawaii Foundation and several concerned individuals testified in support of this bill. OHA supported the intent of this measure. The Koolaupoko Hawaiian Civic Club and the Association of Hawaiian Civic Clubs also supported this bill with amendments. The Department of the Attorney General, Friends of Kewalo Basin Park Association, Hawaiian Political Action Council of Hawaii, and a concerned individual opposed this measure. The Department of Land and Natural Resources, KAHEA, and a concerned individual offered comments.

Your Committee understands that properties to be conveyed to OHA are to be used for commercial development to generate funds for programs benefitting Hawaiians and native Hawaiians, and that OHA has expended funds on due diligence with regard to the Kakaako property. However, OHA has not examined the other properties proposed to be conveyed by this bill, and unlike the Kakaako property, these properties have not been the subject of public hearings.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the conveyance of all parcels to OHA except those in Kakaako Makai;
- (2) Inserting \$200,000,000 as the amount owed by the State to OHA for the period between November 7, 1978, and July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 2, H.D. 1, and be referred to the Committees on Water, Land, & Ocean Resources and Judiciary.

Signed by all members of the Committee except Representatives Mizuno and Yamane.

**SCRep. 1086 Energy & Environmental Protection/Housing on S.B. No. 390**

The purpose of this bill is to help increase consumer energy efficiency by amending provisions that require the installation of a solar water heater in single-family dwellings to obtain a building permit after January 1, 2010. Specifically, this bill:

- (1) Clarifies that the solar water heater mandate applies only to new single-family dwellings;
- (2) Empowers the Public Benefits Fee Administrator (Administrator), rather than the Energy Resources Coordinator (Coordinator), to accept and approve variances from the solar water heater requirements;
- (3) Accepts the attestation of a mechanical engineer for purposes of a variance application;
- (4) Requires the Administrator to conduct post-installation verification inspections of the installed water heating technology; and
- (5) Requires the Administrator to make applications for variances and the dispositions thereof public.

The Department of Business, Economic Development, and Tourism supported this bill. The Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Blue Planet Foundation, and Sierra Club – Hawaii Chapter supported this measure with amendments. The Public Utilities Commission (PUC) supported the intent of this bill. The Gas Company and Inter-Island Solar Supply provided comments.

Your Committees have amended this measure by:

- (1) Restoring variance authority to the coordinator;
- (2) Clarifying language to more accurately describe the variance process;
- (3) Removing the post-installation inspection;
- (4) Requiring the Coordinator, rather than the Administrator to publicize variance applications the dispositions thereof;
- (5) Clarifying when the Renewable Energy Technology System Tax Credit may be claimed;
- (6) Inserting language that allows the PUC to contract with the Administrator to develop solar water heater system standards; and
- (7) Including a purpose section to clarify the Legislature's intent as to the intended difficulty in obtaining a variance from the requirement to install a solar water heater system in a new single-family dwelling.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 390, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 390, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1087 Education on S.B. No. 1164**

The purpose of this bill is to remove barriers to educational attainment faced by children of military families due to frequent moves and the deployment of their parents by enacting the Interstate Compact on Educational Opportunity for Military Children.

The Department of Education, Department of Defense, Chamber of Commerce of Hawaii, and a concerned individual supported this bill. The Office of the Governor supported this measure with amendments. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Changing the membership of the State Council on Educational Opportunity for Military Children by:
  - (A) Including a complex area superintendent from the Leeward district;
  - (B) Removing the representatives from Schofield Barracks, Naval Base Pearl Harbor, Hickam Air Force Base, and Marine Corps Base Hawaii; and
  - (C) Including a representative each from the Air Force, Army, Marine Corps, and Navy;
- (2) Providing immunity to the compact commissioner and any person representing the State in the interstate commission in their individual or official capacity, and the member state, from suit and liability caused by or arising out of actions, errors, or omissions of the interstate commission;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee.

**SCRep. 1088 Consumer Protection & Commerce on S.B. No. 549**

The purpose of this bill is to make the remedies under the Motor Vehicle Express Warranty Enforcement Law (Lemon Law) available to owners of defective motorcycles sold on or after September 1, 2009.

The Department of Commerce and Consumer Affairs provided comments on this bill.

Your Committee finds that this bill expands the protections of the Lemon Law, which includes remedies by which consumers with defective motor vehicles may obtain from the manufacturer corrections of vehicle defects, a replacement vehicle, or a refund of the purchase price.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 549, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1089 Consumer Protection & Commerce on S.B. No. 848**

The purpose of this bill is to deter copper theft by making permanent the provisions of Act 197, Session Laws of Hawaii (SLH) 2007, which:

- (1) Established theft of copper as a felony offense;
- (2) Imposed additional documentation requirements for scrap dealer purchases of copper; and
- (3) Established minimum fines for violations of scrap dealer licensing and purchase documentation requirements.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department (HPD), Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill.

HPD has testified that in 2006 it received reports of 426 copper theft cases totaling \$935,773 in stolen copper. In 2008 and following the passage of Act 197, only 84 such cases, totaling \$297,432 in stolen copper, were reported to HPD. Public utilities have similarly reported a reduction of copper theft incidents that have previously inconvenienced utility customers and posed dangers to those attempting to steal copper from utility facilities that are energized at high voltages. Your Committee finds that the demonstrated effectiveness of Act 197 in reducing copper thefts warrants making this law permanent.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1090 Consumer Protection & Commerce on S.B. No. 1128**

The purpose of this bill is to deter scrap metal theft by making permanent the provisions of Act 53, Session Laws of Hawaii (SLH) 2008, which established a misdemeanor offense for thefts of metal beer kegs and imposed additional documentation requirements for scrap dealer purchases of beer kegs.

Anheuser Busch Companies testified in support of this bill.

Act 53, SLH 2008, was passed in response to reports of metal beer kegs being stolen at escalating rates, largely because they could be redeemed for fast cash at scrap dealerships. By making the provisions of this law permanent, this measure will maintain ongoing efforts to deter another rising form of scrap metal theft.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1091 Consumer Protection & Commerce on S.B. No. 878**

The purpose of this bill is to improve government efficiency by providing that Public Utilities Commission (PUC) hearing notices regarding proposed changes in public utility rates need only be published in the counties served by the utility rather than statewide.

PUC testified in support of this bill.

Under section 269-16(b), Hawaii Revised Statutes (HRS), contested case hearings held in connection with any increase in utility rates must be preceded by a public hearing. Section 269-12(c), HRS, requires PUC to provide statewide notices of these hearings, even if the subject public utility and affected customers are located in one county. By restricting the notice requirement to only the counties affected by the public utility's proposal, this measure will lower PUC's publication costs by as much as 50 percent per fiscal year while still ensuring that notice is provided to those affected by the proposed activity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 878, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1092 Consumer Protection & Commerce on S.B. No. 880**

The purpose of this bill is to repeal the Public Utilities Commission's (PUC) responsibility for gas pipeline safety and inspections, as those functions have been performed by the U.S. Department of Transportation's Office of Pipeline Safety (OPS) since 1993.

PUC testified in support of this bill.

Part IV of Chapter 269, Hawaii Revised Statutes (HRS), requires PUC to establish safety standards consistent with federal regulations for gas pipeline systems, and authorizes PUC to conduct inspections to determine compliance. However, in March 1993, OPS preempted PUC's authority in this area due to a lack of state inspection staff. Because the State has not obtained re-certification from the U.S. Department of Transportation, the provisions of Part IV of Chapter 269, HRS, remain supplanted by federal authority over gas pipeline safety.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1093 Consumer Protection & Commerce on S.B. No. 34**

The purpose of this bill is to exempt licensed real estate brokers and salespersons from the requirements of the Mortgage Rescue Fraud Prevention Act (Act), Chapter 480E, Hawaii Revised Statutes (HRS). This bill also prohibits these persons from acquiring an ownership interest in any distressed residential property currently listed with the broker or salesperson or within a year after the listing agreement is terminated.

The Department of Commerce and Consumer Affairs, Hawaii Association of REALTORS, and several concerned individuals testified in support of this bill. The Office of Hawaiian Affairs and Legal Aid Society of Hawaii opposed this measure. The Hawaii Association of Mortgage Brokers and a concerned individual provided comments.

The Act was intended to protect homeowners facing foreclosure by requiring mortgage rescue contracts to include certain disclosures, right-to-cancel provisions, and fee limitations. However, the Act's requirements have discouraged real estate brokers and salespersons from facilitating "short sales" – in which a lender agrees to discount the mortgage loan balance because of the mortgagor's financial hardship – that can prevent home foreclosures. This bill attempts to correct this undesirable result by creating an exemption from the Act for licensed real estate brokers and salespersons, who are already regulated under Chapter 467, HRS, when acting in their respective capacities.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1094 Consumer Protection & Commerce on S.B. No. 35**

The purpose of this bill is to exempt:

- (1) Certified public accountants (CPAs) licensed and regulated under Chapter 466, Hawaii Revised Statutes (HRS);
- (2) Persons holding a permit to practice public accountancy in Hawaii; and
- (3) Out-of-state CPAs operating under a temporary permit issued by the Board of Accountancy pursuant to Chapter 466, HRS,

from the requirements of the Mortgage Rescue Fraud Prevention Act (Act), Chapter 480E, HRS.

The Department of Commerce and Consumer Affairs, Hawaii Society of Certified Public Accountants, and a concerned individual testified in support of this bill. The Legal Aid Society of Hawaii (Legal Aid) provided comments.

The Act was intended to protect homeowners facing foreclosure by requiring mortgage rescue contracts to include certain disclosures, right-to-cancel provisions, and fee limitations. However, the Act's requirements have discouraged accountants from representing clients before tax authorities in cases involving distressed properties with tax liens. This bill attempts to correct this undesirable result by creating an exemption from the Act for persons engaged in the practice of public accountancy and subject to regulation by the Board of Public Accountancy.

Your Committee respectfully requests that the Committee on Judiciary consider Legal Aid's suggestion that the provisions of H.B. No. 202, H.D. 1, providing for notice to tenants of rental properties subject to foreclosure, and other amendments proposed by Legal Aid, be incorporated into this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1095 Consumer Protection & Commerce on S.B. No. 520**

The purpose of this bill is to clarify the proof-of-ownership requirements for dealers to sell or advertise motor vehicles, by requiring that the dealer possess:

- (1) With regard to sales of new vehicles, the actual legal ownership certificate or a certificate of origin or its equivalent issued to the dealer by the vehicle manufacturer or distributor; and
- (2) With regard to sales of used vehicles, evidence that all liens on the vehicle have been satisfied and the actual legal ownership certificate or proof of the right to possess the certificate.

The Motor Vehicle Industry Licensing Board and Hawaii Automobile Dealers Association testified in support of this bill.

Your Committee notes that this bill contains compromise language agreed upon by the various stakeholders as a balance of the motor vehicle dealers' interest in clarifying the types of documentation dealers need to sell or advertise vehicles, and the consumers' interest in receiving clear title to vehicles purchased from dealers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 520, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1096 Consumer Protection & Commerce on S.B. No. 1241**

The purpose of this bill is to prohibit residential real property deed restrictions or other covenants running with the land from requiring the payment of fees for the future transfer of the property, except certain fees or charges relating to:

- (1) Payments to a lender on a mortgage loan secured by the property;
- (2) Payments to homeowners', condominium, cooperative, or property owners' associations pursuant to a declaration, covenant, or law applicable to the association;
- (3) Lease payments and charges to landlords;
- (4) Payments to the holder of an option to purchase an interest in residential real property, or holder of a right of first refusal or first offer to purchase such an interest, for waiving the option or right upon transfer of the property to another person; and
- (5) Payments to a government entity.

The Office of Hawaiian Affairs, Hawaii Association of REALTORS, and Mililani Town Association testified in support of this bill. Alexander & Baldwin, Inc. provided comments.

This bill seeks to prohibit residential real property deed restrictions or covenants imposing fees on transferees every time the property is transferred. These restrictions run with the land and are not always disclosed to buyers until the closing of a property sale. Moreover, these fees may be used to generate income on recurring transfers of homes long after their initial sale. Your Committee finds that this bill addresses the apparent lack of regulation over the imposition of such fees by prohibiting them altogether, while providing exemptions for certain usual and customary fees, assessments, and charges triggered by various real property transactions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1097 Consumer Protection & Commerce on S.B. No. 203**

The purpose of this bill is to deter unlicensed contractor activity by increasing monetary sanctions for such violations.

The Department of Commerce and Consumer Affairs (DCCA), Subcontractors Association of Hawaii, Iron Workers Stabilization Fund, Building Industry Association-Hawaii, General Contractors Association of Hawaii, and Laborers' International Union of North America, Local 368 testified in support of this bill.

Your Committee received testimony indicating that the current provisions of this measure were mutually agreed upon by the construction industry and DCCA's Regulated Industries Complaints Office as a means of deterring and punishing unlicensed contractor activity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 203, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1098 Consumer Protection & Commerce on S.B. No. 1230**

The purpose of this bill is to find new sources of state revenue to address the economic downturn by capturing tax revenue from real property transfers that are not currently covered under the conveyance tax. Specifically, this bill imposes a new real property asset acquisition tax on transfers of any ownership interest in an entity that holds real property located in Hawaii with a certain minimum fair market value.

The Nature Conservancy of Hawaii testified in support of this bill. The Hawaii Association of REALTORS opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments.

This bill seeks to impose a tax similar to the conveyance tax in instances where stock in an entity that owns real property is transferred, but not the property itself. Such complex stock ownership transactions have apparently facilitated a type of real property transfer without any tax consequences. The new tax established by this bill attempts to capture this untapped source of revenues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1230, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1099 Human Services on S.B. No. 133**

The purpose of this measure is to create discounted "lifeline electricity rates" for qualified residential electricity customers who are elderly or disabled, and with limited income.

Testimony in support of this measure as submitted by Hawaiian Electric Company, Inc. Comments on this measure were submitted by the Public Utilities Commission and the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs.

Your Committee finds that normal residential rates for electricity may be difficult for low-income elderly or disabled persons to afford. This poses a special problem for elderly or disabled customers that have medical conditions that must be monitored or treated in the home with electric medical devices. The discounted lifeline electricity rates for qualified elderly and disabled customers that is provided under this measure will ensure that they have continued access to affordable electricity in their homes on a regular basis, as well as for medical treatments that depend upon electricity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 133, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1100 Human Services on S.B. No. 201**

The purpose of this bill is to continue to provide transportation services to disadvantaged populations by appropriating funds as a grant-in-aid to the Hawaii County Economic Opportunity Council (HCEOC) to purchase ten buses.

Your Committee notes that as this measure continues through the legislative process, it should be confirmed that HCEOC meets the standards required by section 42F-103, Hawaii Revised Statutes, so that the organization qualifies for this grant.

Your Committee has amended this bill by:

- (1) Specifying that the funds appropriated as a grant-in-aid are appropriated pursuant to Chapter 42F, Hawaii Revised Statutes;
- (2) Changing the expending agency from HCEOC to the Department of Human Services; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 201, S.D. 2, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance in the form attached hereto as S.B. No. 201, S.D. 2, H.D. 1.

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

**SCRep. 1101 Human Services on S.B. No. 914**

The purpose of this bill is to conform statutes relating to the Temporary Assistance for Needy Families (TANF) program to recent changes in federal regulation by:

- (1) Adding definitions for "non-work eligible household," "work eligible household," and "other work eligible household"; and
- (2) Conforming existing provisions to the new definitions.

The Department of Human Services supported this bill.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "work eligible household" to specify that at least one member is either an adult receiving assistance under the TANF program or a non-recipient parent, neither of whom is a non-work eligible or other work eligible individual; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 914, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1102 Water, Land, & Ocean Resources on S.B. No. 1130**

The purpose of this bill is to require the redaction of the first five digits of a social security number on a judgment prior to its recording with the Bureau of Conveyances or the Land Court.

The Department of Land and Natural Resources and the Collection Law Section of the Hawaii State Bar Association supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1103 Water, Land, & Ocean Resources/Judiciary on S.B. No. 1677**

The purpose of this bill is to require the adoption of a concurrent resolution by two-thirds majority vote of each house of the Legislature prior to the sale or exchange of ceded and other public lands.

The Association of Hawaiian Civic Clubs, Koolaupoko Hawaiian Civic Club, Royal Order of Kamehameha I, and many concerned individuals supported this bill. One concerned individual supported this bill with amendments. The Hawaii Government Employees Association supported the intent of this bill. The Hawaii Housing Finance and Development Corporation opposed this bill. The Department of Land and Natural Resources, Office of Hawaiian Affairs, University of Hawaii System, the Attorney General, and several concerned individuals offered comments.

Recognizing the need to reaffirm the Legislature's authority to oversee the permanent disposition of all lands held by the State without unduly hampering the State's ability to complete such transactions, your Committees have amended this bill by:

- (1) Broadening the legislative oversight to include the sale and exchange of all lands held by the State in fee simple title to parties other than the State, its agencies, or its entities;
- (2) Making such sales and exchanges subject to the disapproval of a majority of both houses of the Legislature or a two-thirds majority of either house, rather than requiring the approval of a two-thirds majority of both houses;
- (3) Requiring an informational briefing in the community where the property to be sold or exchanged is located prior to finalizing any proposal to sell or exchange the property;
- (4) Adding provisions affirming the generality of the legislation to conform to Article XI, Section 5, of the Hawaii Constitution which limits the legislative powers over state-controlled lands to general laws;
- (5) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity consistency, and style.

Your Committees realize that the broad scope of the oversight provision may cause difficulties for some State agencies and entities currently negotiating exchange and sale transactions. Your Committees specifically request the Committee on Finance to consider the needs of University of Hawaii, West Oahu (UHWO) and its conformance to certain deed restrictions on property UHWO is attempting to convey in connection with the development of the campus.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1677, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1677, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chang, Coffman, McKelvey, Morita, Wakai and Thielen.

**SCRep. 1104 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 1259**

The purpose of this measure is to provide consistency between state and federal environmental liability laws regarding the liability of bona fide prospective purchasers and contiguous property owners of contaminated real property.

The Department of Health provided written testimony in support of this measure.

Your Committees find that this measure sets forth conditions under which innocent contiguous property owners or "bona fide prospective purchasers" are not held liable for damages or costs related to contamination of real property not caused by either party. This measure also successfully reflects the results of extensive stakeholder involvement led by the Department of Health over a two-year period and responds to the needs identified, discussed, and endorsed by the community.

Your Committees also find that consistency between state and federal environmental liability laws will ensure that the conforming provisions in this measure will not conflict with federal law and cause confusion or misapplication of state law.

Your Committees have amended the measure by clarifying references to federal law and by making technical, nonsubstantive amendments for the purpose of consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1259, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1259, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Har and Herkes.

**SCRep. 1105 Consumer Protection & Commerce on H.C.R. No. 16**

The purpose of this concurrent resolution is to encourage the State of Hawaii, the Counties of Hawaii, and local financial institutions to work in a mutually beneficial endeavor for the stimulation of personal savings accounts and the development of credit among the unbanked and underbanked population. This concurrent resolution also encourages the formulation of an inventory of banking services available to those most in need of them.

The Department of Commerce and Consumer Affairs, Financial Service Providers of Hawaii, Inc. and Law Offices of Marvin S.C. Dang testified in support of this resolution.

Your Committee emphasizes that those most likely to be targeted by this concurrent resolution include low-income individuals and families, the less educated, female-headed households, young adults, families living in rural communities, and immigrants. The elderly and senior citizens have also been included in the group as among the most common reported to be classified as unbanked. Although this list is far from complete, these are the most vulnerable to being financially underserved.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Mizuno, Souki and Thielen.

**SCRep. 1106 Economic Revitalization, Business, & Military Affairs on H.R. No. 34**

The purpose of this resolution is to meet the need for emergency response services in rural and other geographically isolated areas in Hawaii by requesting the State Department of Defense to allow available surplus helicopters in its fleet to be used for medical evacuation services.

The State Department of Defense commented on this resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 34 and recommends that it be referred to the Committee on Health.

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

**SCRep. 1107 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 42**

The purpose of this concurrent resolution is to meet the need for emergency response services in rural and other geographically isolated areas in Hawaii by requesting the State Department of Defense to allow available surplus helicopters in its fleet to be used for medical evacuation services.

The State Department of Defense commented on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42 and recommends that it be referred to the Committee on Health.

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

**SCRep. 1108 Consumer Protection & Commerce on H.C.R. No. 43**

The purpose of this concurrent resolution is to request the Department of Health to study, report on and create standards regarding polystyrene and polyethylene, which are used in grocery bags and food containers and may be hazardous.

The Department of Health submitted testimony in opposition. While the Department of Health acknowledges the concerns over the use of plastics and their impacts on health and the environment, the Department opposes this measure, as they believe various aspects of this measure are unnecessary and beyond their means. The Department of Health did agree to work with other states and federal government agencies to monitor new legislation and emerging health information on the safety of poly styrene food containers

The Hawaii Food Industry Association (HFIA) supported this measure with amendments. Realizing, that funding is a concern, HFIA suggested that a working group be created in lieu of the mandate in the measure, and that the group include: a representative from each County; the Dept. of Health; producers of polystyrene and plastic bags made in Hawaii; affected trade organizations; and, environmental organizations.

Your Committee on Consumer Protection & Commerce recommends the measure be amended, asking the HFIA to take the lead in forming the working group to include all affected parties. Your Committee also requests that a report be due 20 days prior to convening of the 2010 session.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 43, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Mizuno, Souki and Thielen.

**SCRep. 1109            Transportation on S.B. No. 281**

The purpose of this bill is to enhance safety on sidewalks by authorizing the counties to regulate the use of electric personal assistive mobility devices on sidewalks.

The Waikiki Improvement Association and Segway, Inc., testified in support of this bill.

Various areas of our state have sidewalks that are narrow and heavily used by residents and visitors alike. Allowing electric personal assistive mobility devices to be operated on sidewalks under these conditions is a safety issue for pedestrians as well as the operators of these devices. While the operation of certain types of vehicles on sidewalks is already regulated in business districts, there may be other areas that need similar regulations. This measure allows the counties to make that determination and regulate the use of these vehicles on sidewalks as they deem necessary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 281 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1110            Transportation on S.B. No. 1056**

The purpose of this bill is to improve highway safety and comply with federal regulations regarding commercial driver's licenses by:

- (1) Increasing the maximum fine to \$25,000 for an employer convicted of allowing a driver to operate a commercial vehicle when the driver, the commercial motor vehicle the driver is driving, or the motor carrier operation, is subject to an out-of-service order;
- (2) Prohibiting any individual from driving a commercial motor vehicle in violation of an out-of-service order; and
- (3) Establishing or increasing penalties for drivers convicted of operating a commercial motor vehicle:
  - (A) In violation of an out-of-service order;
  - (B) With alcohol in the body; and
  - (C) With a blood alcohol content of .04.

The Department of Transportation (DOT) testified in support of this bill.

Your Committee notes that according to DOT, failure to enact the changes contained in this measure could result in the loss of approximately \$4,600,000 of federal-aid highway funds for the first year of noncompliance and \$9,300,000 per year thereafter.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1056, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1056, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1111            Transportation on S.B. No. 58**

The purpose of this bill is to increase the fairness and affordability of automobile insurance in Hawaii by allowing automobile insurers to exclude specified household members from coverage under an automobile insurance policy.

The Hawaii Association for Justice and State Farm Insurance Companies testified in support of this bill. The Property Casualty Insurers of America testified in opposition to this measure. The Hawaii Insurers Council opposed this bill in part. The Department of Commerce and Consumer Affairs provided comments on this measure.

Current Hawaii law provides that all drivers who use an automobile are covered by the insurance policy under which that car is covered as long as the person has permission to operate the vehicle. This is to ensure that there is insurance to protect others who may sustain property damage or personal injury in an accident. However, this can often be detrimental to households in Hawaii with multiple drivers covered under one policy. As insurance companies assign risks to a policy based upon the risk of individuals covered under that policy and establish insurance premiums based upon that risk, the careless actions of one driver will cause the premiums for that entire household to increase. Allowing for the exclusion of these high risk drivers from coverage under insurance policies will allow the good drivers covered under the policy to maintain fair premium levels for their automobile insurance coverage.



However, your Committee understands the concerns raised regarding the application of the exclusion endorsement to a particular vehicle and the burden and confusion this may cause when a vehicle is sold or a new vehicle purchased. Accordingly, your Committee has amended this measure by clarifying language in the driver exclusion endorsement to make the exclusion of the driver applicable to the insurance policy a vehicle is covered under rather than to each particular vehicle a driver is prohibited from driving.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1112          Transportation on S.B. No. 715**

The purpose of this bill is to improve coordination between the State and counties in transportation planning and funding by requiring the Statewide Transportation Plan to comply with county transportation-related plans; county general plans; and all community, development, or community development plans adopted pursuant to the county general plan, to the extent that compliance does not affect the availability of federal funds.

A member of the Maui County Council, Department of Planning and Permitting of the City and County of Honolulu, Building Industry Association of Hawaii, Chamber of Commerce of Hawaii, and Hawaii Association of REALTORS® testified in support of this bill.

Coordination of highway and other roadway projects is critical to ensure that transportation projects are completed on a timely and efficient basis. Requiring the State to consider a county's transportation-related plans or general plan, along with other community development plans, when developing a statewide plan will enhance such coordination.

Your Committee has amended this bill by:

- (1) Clarifying that the Statewide Transportation Plan must comply with county transportation-related plans; county general plans; and all community, development, or community development plans adopted pursuant to the county general plan, to the extent that compliance does not affect the receipt of, rather than the availability of, federal funds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 715, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1113          Health on S.B. No. 936**

The purpose of this bill is to repeal the requirement for the Department of Health (DOH) to issue a sanitation certificate to qualify for a county business license for the operation of a lodging or tenement house, group home, group residence, group living arrangement, hotel, or boarding house. County business licenses are no longer issued for such businesses so the requirement for a sanitation certificate is not necessary.

DOH and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1114          Health on S.B. No. 426**

The purpose of this bill is to address the shortage of dentists in Hawaii by authorizing the Board of Dental Examiners (Board) to grant a temporary license to any dentist enrolled in an American Dental Association Commission on Dental Accreditation accredited dental residency program for the duration of the dentist's participation in the program.

The Board, Kokua Kalihi Valley, and the Hawaii Primary Care Association supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1115          Health on S.B. No. 113**

The purpose of this bill is to prevent licensed dentists from presenting false claims of expertise in dental specialties by authorizing the Board of Dental Examiners (BDE) to sanction licensees for false or misleading advertising.

The Hawaii Dental Association and several concerned individuals supported this bill. BDE opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 113 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1116 Health on S.B. No. 937**

The purpose of this bill is to continue to work toward effectively reducing the census at the Hawaii State Hospital by:

- (1) Clarifying which statutory provisions govern the process and standards of decision making on applications for conditional release and discharge of forensic patients at the Hawaii State Hospital; and
- (2) Improving the timeframe for the completion of the hearing process and rendering of decisions involving forensic patients by setting a 60-day deadline while providing for an extension if necessary.

The Department of Health supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1117 Health on S.B. No. 567**

The purpose of this bill is to help increase the number of eligible donors, foster a commitment to blood donation, and enhance our ability to meet the growing demand for blood by lowering the minimum age requirement for blood donation to sixteen years of age, provided that parental consent is given.

Several concerned individuals supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 567, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1118 Consumer Protection & Commerce on S.B. No. 877**

The purpose of this bill is to protect underground infrastructure by making the Public Utilities Commission's (PUC) One Call Center pilot program (Program) permanent. The Program provides advance warnings to excavators of the location of subsurface facilities before the excavation begins.

PUC, the One Call Center Advisory Committee, Building Industry Association-Hawaii, Hawaiian Telcom, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, General Contractors Association of Hawaii, and The Gas Company testified in support of this bill. The Hawaii Pest Control Association provided comments.

Your Committee finds that certain excavation activities may warrant an exemption from the Program because they do not appear to pose the types of risks to underground facilities that the Program was established to address.

Accordingly, your Committee has amended this bill by replacing its entire contents with the provisions of H.B. No. 1059, H.D. 2, 2009. As amended, this bill differs substantively from the draft received by your Committee by including an exemption from the Program for any pest control activity regulated under Chapter 460J, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 877, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 877, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1119 Education on S.B. No. 438**

The purpose of this bill is to afford the Board of Education (BOE) more flexibility in carrying out its responsibilities by allowing BOE to file any notice that specifies only legislation or legislation-related agenda items, no fewer than two calendar days before a meeting during the legislative session or any special session of the legislature.

The BOE supported this bill. The Office of Information Practices offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 438 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1120 Education on S.B. No. 145**

The purpose of this bill is to clarify the transfer of responsibility for repair and maintenance of equipment and fixtures in school facilities from the Department of Accounting and General Services to the Department of Education (DOE).

DOE supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 145, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1121 Education on S.B. No. 160**

The purpose of this bill is to afford the Department of Education (DOE) more flexibility in adjusting the prices of school meals in light of cost increases, by modifying the method by which the prices of school meals, both breakfast and lunch, are determined.

The DOE supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1122 Education on S.B. No. 162**

The purpose of this bill is to eliminate redundancy in the Department of Education (DOE) by removing the provision establishing the Performance Standards Review Commission.

The DOE supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1123 Education on S.B. No. 164**

The purpose of this bill is to expand the use of funds in the Federal Grants Search, Development, and Application Revolving Fund (Fund) to monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures. This bill also renames the Fund the "Federal Grants Revolving Fund."

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 164 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1124 Education on S.B. No. 1669**

The purpose of this bill is to reduce the backlog of repair and maintenance projects in our public schools by:

- (1) Authorizing the issuance of general obligation bonds in each year of the 2009-2011 fiscal biennium; and
- (2) Providing the Department of Education (DOE) with a temporary exemption from the State's procurement laws to allow the expediting of construction projects.

The DOE and State Procurement Office offered comments on this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1669, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang and Manahan.

**SCRep. 1125 Higher Education on S.B. No. 1311**

The purpose of this bill is to allow the University of Hawaii (UH) to more effectively study and protect the natural resources of the Hawaii Marine Laboratory Refuge (Refuge) by:

- (1) Permitting UH to use staff in addition to the land, buildings, apparatus, and appliances of the Department of Land and Natural Resources (DLNR) for the biological laboratory; and
- (2) Exempting UH from any law that requires a permit or application to carry out repair and maintenance of the Refuge.

UH supported this bill. KAHEA opposed this measure. DLNR offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Manahan.  
(Representatives Berg, Hanohano and Shimabukuro voted no.)

**SCRep. 1126 Higher Education on S.B. No. 1674**

The purpose of this bill is to address the capital facility needs of the University of Hawaii (UH) through the construction of new projects and the renovation and major repair of existing facilities by:

- (1) Increasing the amount of the revenue bond proceeds authorized by Act 161, Session Laws of Hawaii 2007 (Act 161) from \$100,000,000 to \$150,000,000;
- (2) Extending the lapse date of the appropriation of revenue bond proceeds authorized by Act 161 to June 30, 2013; and
- (3) Appropriating \$50,000,000 for fiscal year 2009-2010 out of the revenue bond proceeds, to lapse on June 30, 2015.

UH and the Pacific Resource Partnership supported this bill. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Changing the amount of the revenue bonds authorized by Act 161 to \$250,000,000;
- (2) Increasing the amount appropriated for fiscal year 2009-2010 by this Act, out of the revenue bond proceeds, from \$50,000,000 to \$150,000,000;
- (3) Deleting provision that any unexpended and unencumbered balances of the appropriations shall lapse into the general fund; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1674, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1127 Higher Education on S.B. No. 39**

The purpose of this bill is to ensure fiscal transparency and accountability by requiring the University of Hawaii (UH) to report semi-annually to the Legislature on the moneys in the Hawaii Cancer Research Special Fund, including deposits, expenditures, and other transactions.

UH, the High Technology Development Corporation, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 39 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1128 Higher Education/Education on S.B. No. 1096**

The purpose of this bill is to increase students' interest in pursuing math/science and technology careers, thereby improving the State's economic competitiveness through innovation, by:

- (1) Expanding the mission of the Fostering Inspiration and Relevance Through Science and Technology Pre-academy Program to include K-12 robotics; and
- (2) Appropriating funds for various science-, technology-, engineering-, and math-related programs, and K-12 creative media programs, in Hawaii's public schools.

The Hawaii Association of Independent Schools, Hawaii Crop Improvement Association, and Hawaii Educational Networking Consortium supported this bill. The Department of Business, Economic Development, and Tourism, Department of Education, and University of Hawaii supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1096, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Manahan.

**SCRep. 1129      Public Safety on S.B. No. 898**

The purpose of this bill is to encourage owners and operators of hospitals, community- and home-based care homes, private shelters, and schools to permit the use of their properties as designated shelters during disasters and emergencies.

This bill exempts these facilities from civil liability when used for emergency sheltering purposes by clarifying that compensation received by these entities for use of these facilities for their intended purposes is not considered compensation for the purposes of receiving immunity from liability under section 128-19, Hawaii Revised Statutes.

The Maui Hotel and Lodging Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1130      Public Safety on S.B. No. 207**

The purpose of this bill is to ensure increased knowledge of safety conditions in correctional facilities by requiring the Department of Public Safety (PSD) to report to the Legislature any inmate or correctional facility employee death within 24 hours of the death.

The Community Alliance on Prisons, American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, and a concerned individual supported this bill. PSD opposed this measure

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1131      Public Safety on S.B. No. 210**

The purpose of this bill is to support the preservation of important family connections that are positive influences and ensure consistent treatment programs for inmate rehabilitation by specifying criteria that must be considered in deciding whether to transfer inmates between correctional facilities located in Hawaii and correctional facilities located outside of Hawaii.

The American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, and several concerned individuals supported this bill. The Community Alliance on Prisons supported this measure with amendments. The Department of Public Safety and Honolulu Department of the Prosecuting Attorney opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1132      Public Safety on S.B. No. 539**

The purpose of this bill is to ensure that the reentry needs of persons committed to correctional facilities are being evaluated and met in an effective and appropriate manner by:

- (1) Renaming the Intake Service Center Division of the Department of Public Safety to the Reentry Intake Services Division (Division); and
- (2) Requiring that the Division work closely and collaborate with the furlough programs in each county, the Hawaii Paroling Authority, and the Correction Program Services Division.

The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, and Goodwill Industries of Hawaii, Inc., supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 539, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1133      Public Safety on S.B. No. 540**

The purpose of this bill is to ensure proper treatment of drug addictions many inmates struggle with by establishing a state residential drug abuse program with an in-community component to help inmates' reenter the community upon their release from prison.

The Office of Hawaiian Affairs, American Civil Liberties Union, The Drug Policy Forum of Hawaii, Hepatitis Support Network of Hawaii, and several concerned individuals supported this bill. The Community Alliance on Prisons supported this measure with amendments. The Department of Public Safety submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1134      Public Safety on S.B. No. 546**

The purpose of this bill is to alleviate overcrowding of correctional facilities while encouraging participation in the community for nonviolent offenders by establishing an electronic monitoring pilot program within the Department of Public Safety (PSD).

The Hawaii Government Employees Association, The Drug Policy Forum of Hawaii, Community Alliance on Prisons, Hepatitis Support Network of Hawaii, African-American Lawyers Association, and several concerned individuals supported this bill. A concerned individual supported this measure with amendments. PSD submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1135      Public Safety on S.B. No. 564**

The purpose of this bill is to ensure adequate fire safety conditions while providing greater flexibility and efficiency for county fire departments by requiring fire safety inspections at least every five years instead of every two years for buildings.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, and Maui Fire Department supported this bill.

Your Committee finds that the provisions of this bill may allow county fire departments greater flexibility with their limited resources. However, concerns have been raised regarding reducing the number of fire safety inspections for facilities such as hospitals and care homes that deal with highly flammable substances such as oxygen and whose residents may have impaired abilities to evacuate in an emergency situation.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 564, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1136      Public Safety on S.B. No. 213**

The purpose of this bill is to require the Department of Public Safety to establish:

- (1) Performance measures to be incorporated in reports that evaluate program outcomes and progress toward specific goals, as required by the Community Safety Act of 2007; and
- (2) Collect data on the measures to be incorporated in periodic reports to the Legislature.

The Hawaii Government Employees Association, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 213, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1137      Public Safety/Labor & Public Employment on S.B. No. 208**

The purpose of this bill is to ensure continuity and stability within the Sheriffs Division of the Department of Public Safety (PSD) by providing civil service status for the positions of the first and second deputy sheriffs.

The Hawaii Government Employees Association and several concerned individuals supported this bill. PSD opposed this measure.

Your Committees find that the Sheriffs Division provides invaluable services to the State in protecting its officials and facilities. However, your Committee understands that many positions exempt from civil service hiring regulations were intended to assist newly elected or appointed officials by providing greater flexibility in implementing policy and procedures. Your Committees remain concerned that enactment of this bill may set an unfavorable precedent by removing the ability of the current or future Governor and Director of Public Safety to select administrators that work well within their current system.

As affirmed by the records of votes of the members of your Committees on Public Safety and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 208 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1138      Public Safety/Labor & Public Employment on S.B. No. 309**

The purpose of this bill is to clarify that sheriffs' chaplains are entitled to workers' compensation.

The Department of Public Safety supported this bill.

As affirmed by the records of votes of the members of your Committees on Public Safety and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 309 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1139          Housing on S.B. No. 862**

The purpose of this bill is to assist the Hawaii Housing Finance and Development Corporation (HHFDC) in its collection of the amounts owing to it under shared appreciation equity and other liens when the property is sold or foreclosed upon. To further facilitate collection, this bill also requires HHFDC to receive written notice of an intent to foreclose 45 days prior to commencement of the foreclosure proceedings.

HHFDC and the Honolulu Department of Community Services supported this bill. The Office of Hawaiian Affairs supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1140          Housing on S.B. No. 1160**

The purpose of this bill is to provide for the assessment of common area expenses for all units in a state public housing project in the amount of at least one percent of common area expenses.

The Hawaii Public Housing Authority supported this bill.

Your Committee has amended this bill by including the contents of H.B. No. 1440, H.D. 1. As amended, in addition to authorizing the assessment of common area expenses, this bill:

- (1) Eliminates most procedural requirements preliminary to hearings for evictions of tenants of public housing projects;
- (2) Requires written notice to delinquent tenants in accordance with federal law of the delinquency and the tenant's right to request a grievance hearing;
- (3) Requires that a hearings officer, rather than the eviction board, conduct the evictions hearing; and
- (4) Makes technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1160, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1141          Housing on S.B. No. 1221**

The purpose of this bill is to amend the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully at a public housing project after a reasonable request or warning to leave by housing authorities, provided that the person is not an invited guest.

The Hawaii Public Housing Authority (HPHA) and many concerned individuals supported this bill. The American Civil Liberties Union of Hawaii opposed this bill.

Your Committee notes the constitutional concerns raised by the Department of the Attorney General in the testimony of HPHA. Your Committee respectfully requests the Committee on Judiciary to consider these concerns.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1142          Health on S.B. No. 53**

The purpose of this bill is to make permanent the protections in Act 177, Session Laws of Hawaii 2008 (Act 177), codified as Chapter 431E, Hawaii Revised Statutes, that ensure 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 also repeals the requirement that the Insurance Commissioner report annually to the Legislature on the implementation and effects of Act 177.

The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors, and American Councils of Life Insurers supported this bill. The Coventry Group submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 53 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1143 Health on S.B. No. 528**

The purpose of this bill is to continue to regulate the sale of tobacco by making permanent the retail tobacco permit law that was established in Act 131, Session Laws of Hawaii 2005.

The Department of the Attorney General, Hawaii Food Industry Association, American Lung Association, American Heart Association, Hawaii Chronic Obstructive Pulmonary Disease Coalition, Coalition for a Tobacco-Free Hawaii, and the American Cancer Society supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1144 Education/Labor & Public Employment on S.B. No. 161**

The purpose of this bill is to repeal the statutory provision relating to teacher salary ranges because teacher salary schedules are negotiated through collective bargaining.

The Department of Education and Department of Budget and Finance supported this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 161 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1145 Education/Labor & Public Employment on S.B. No. 163**

The purpose of this bill is to repeal the statutory provision creating district business and fiscal officers within the Department of Education (DOE), as other DOE personnel already provide all the services required of the district business and fiscal officers.

DOE supported this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 163 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1146 Education/Labor & Public Employment on S.B. No. 501**

The purpose of this bill is to support the Teacher Education Coordinating Committee (TECC) in its work to strengthen the efforts of all teacher education institutions in Hawaii to prepare quality teachers for Hawaii's public schools. Specifically, this bill changes the membership of the TECC by:

- (1) Including a representative from each accredited state-approved teacher education unit, rather than from each accredited teacher training institution in Hawaii; and
- (2) Clarifying that the Superintendent of Education and the Dean of the College of Education may each appoint additional members to the TECC as needed.

The Department of Education and Hawaii Teacher Standards Board supported this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 501 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1147 Education/Labor & Public Employment on S.B. No. 1120**

The purpose of this bill is to clarify the retention of the civil service status of employees at Waiālae and Lanikai elementary schools, Department of Education schools that converted to conversion charter schools.

The Hawaii Government Employees Association supported this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1120 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 1148 Education/Labor & Public Employment on S.B. No. 1250**



The purpose of this bill is to clarify the amendments made by Act 125, Session Laws of Hawaii 2008, by requiring unlicensed individuals hired on an emergency basis prior to July 1, 2008, to be employed as such for no more than four years.

The Department of Education supported this bill.

Your Committees have amended this bill by:

- (1) Changing the amount of time allowed for individuals hired after June 30, 2008, to be employed on an emergency basis, from three consecutive years to three years in the aggregate;
- (2) Changing the amount of time allowed for individuals hired after June 30, 1997, but before July 1, 2008, to be employed on an emergency basis, from four consecutive years to four years in the aggregate;
- (3) Making these provisions permanent; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1250, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 1149      Transportation on S.B. No. 714**

The purpose of this bill is to alleviate traffic congestion during traffic emergencies that require lane-closures by law enforcement or emergency services personnel by:

- (1) Allowing all motor vehicles, regardless of the number of persons carried in the vehicle, to use a high occupancy vehicle (HOV) lane or zipper lane; and
- (2) Providing the Director of the Department of Transportation (DOT) with the express authority to declare an emergency and open the use of the HOV and zipper lanes.

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

A number of areas and communities throughout the state are accessible by only one route. Many times, residents of these communities endure long commute times due to a traffic accident or other traffic emergency that forces authorities to close lanes on the roadway. Sometimes, the traffic congestion that results lasts for hours leaving many frustrated drivers in their vehicles. Allowing these drivers to use HOV lanes or the zipper lane during these lane closures may help mitigate this problem.

However, your Committee notes DOT's concern that limiting the use of the zipper lane to an area within a two mile radius of the traffic incident or accident is impractical as once a vehicle enters the zipper lane, there is no exit from the zipper lane for approximately 12 miles. Accordingly, your Committee has amended this bill by clarifying that use of the zipper lane or HOV lane is contingent upon at least one other lane in the same direction as the direction of the traffic incident or accident being closed due to a traffic incident or accident.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 714, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1150      Transportation on S.B. No. 107**

The purpose of this bill is to improve the efficiency of the Administrative Driver's License Revocation Office (ADLRO) by authorizing the administrator of the courts to permit administrative license revocation hearings to be held:

- (1) In a county other than the county of arrest; and
- (2) By telephonic, video, or other electronic means.

Your Committee received testimony in support of this measure from the Judiciary.

Currently, ADLRO operations require almost daily inter-island travel to conduct administrative revocation hearings statewide. This is due to the fact that these hearings are required to be held at a place as close as practical to the location where the administrative revocation was issued. These daily commutes cost the ADLRO up to \$1,000 per week, making up the bulk of their operational expenditures. Allowing ADLRO the flexibility to choose a venue with the consent of the respondent or via telephonic, video, or other electronic means will result in cost savings for ADLRO.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 107, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1151      Transportation on S.B. No. 1055**

The purpose of this bill is to enhance the safety and security of individuals and vessels using the state's commercial harbors by authorizing the Director of Transportation to adopt rules establishing safety measures and security requirements in or about the commercial harbors, land, and facilities belonging to or controlled by the State.

The Department of Transportation (DOT) testified in support of this bill.

According to DOT, there are times that an individual or individuals, separate and apart from vessel traffic, have conducted activities in Hawaii's commercial harbors, including the waters of the commercial harbor, which have threatened the safety and security of either the individual or vessels in the harbor. Although the Director of Transportation currently has the authority to adopt rules to regulate vessels, passengers, freight, carriers, shippers, and consignees and can adopt rules for the safety of docks, wharves, piers, quays, bulkheads, and landings within commercial harbors, this measure will provide the Director with explicit authority to regulate traffic and other activities in the State's commercial harbors, including the waters of the commercial harbors.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1055, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1152      Health on S.B. No. 51**

The purpose of this bill is to ensure people receive safe dental care by a licensed dental practitioner by redefining the practice of dentistry to include tooth whitening.

The Board of Dental Examiners, Hawaii Dental Association, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 51, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1153      Health on S.B. No. 166**

The purpose of this bill is to ensure the most effective methods for treatment of cancer are available to people with limited economic means by requiring health insurance providers that offer coverage for cancer treatment to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

The Representative of District 38, American Cancer Society, Hawaii Primary Care Association, and a concerned individual supported this bill. The Department of Human Services supported the intent of this measure. Kaiser Permanente Hawaii and Hawaii Association of Health Plans opposed this bill. Hawaii Medical Service Association and American Family Life Assurance Company (AFLAC) submitted comments.

Your Committee has amended this bill by:

- (1) Providing an exemption for limited benefit health insurance policies;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 166, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 166, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1154      Health on S.B. No. 436**

The purpose of this bill is to promote the invaluable research and medical advances brought about by clinical trials by:

- (1) Providing an income tax credit amounting to 15 percent of qualified clinical trial costs incurred, in any county with a population over 700,000, and 20 percent in any county with a population of 700,000 or less;
- (2) Establishing criteria to qualify for the tax credit; and
- (3) Setting a cap on amounts received through the credit.

The American Cancer Society supported this bill. The Department of Taxation (DOTAX) opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Prohibiting a taxpayer that claims this credit from claiming any other state income tax credit, as recommended by DOTAX;
- (2) Changing the effective date for this bill to July 1, 2020, and for the years this bill would be applicable towards to those years beginning after December 31, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 436, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 436, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1155 Economic Revitalization, Business, & Military Affairs on S.B. No. 91**

The purpose of this bill is to update and improve the services provided by the Community-based Economic Development Technical and Financial Assistance Program (CBED Program) by:

- (1) Amending the definition of "community of interest";
- (2) Allowing the Hawaii Community-based Economic Development Revolving Fund to receive funding from any source;
- (3) Deleting the prohibition against reallocating loan funds to the grant program that could cause an insufficient availability of funds to make loans;
- (4) Adjusting the cap for loans to an unspecified amount; and
- (5) Reducing the maximum interest rate for loans from ten to six percent.

The Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, Malu'ohai Residents Association, Hawaii Alliance of Nonprofit Organizations, and a concerned individual supported this bill. The Hawaii Alliance for Community-Based Economic Development supported the intent of this measure.

This bill reduces the maximum total outstanding loan balance and maximum interest rates under the CBED Program to reflect the current economic situation. Your Committee respectfully requests the Committee on Finance to also consider whether the minimum interest rate on these loans, which at three to six percent may be higher than current interest rates, should also be reduced.

Your Committee has amended this bill by:

- (1) Setting the cap for loans under the CBED Program to \$250,000;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 91, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1156 Economic Revitalization, Business, & Military Affairs on S.B. No. 1299**

The purpose of this bill is to encourage the growth of a flight training industry in Hawaii by making businesses engaged in advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers, eligible for tax and other regulatory benefits under the State Enterprise Zones law.

The University of Hawaii, Global Aeronautics LLC, and a concerned individual supported this bill. The Department of Taxation opposed this bill. The Office of Aerospace Development and Tax Foundation of Hawaii commented.

Hawaii's unique mid-Pacific location makes Hawaii an ideal location for international aircraft pilot training, an industry with significant potential for growth in light of the increasing demand for airplane pilots projected for the Asia-Pacific region in coming years. In addition, flight simulator training would fit well within Hawaii's plans to diversify its economy, by establishing a new technology-based industry that would provide between 100 and 200 new, well-paid jobs in the Kapolei area, enhancing the UH's ability to establish a four-year airline management baccalaureate program for the Asia-Pacific community within its Travel Industry Management program, and providing Hawaii airlines with a local training resource.

Questions were raised as to why mechanics are included in the list of persons that may receive flight simulator training that qualifies for enterprise zone benefits. Your Committee respectfully requests the Committee on Finance, to which this bill is next referred, to investigate the matter.

To encourage further discussion, your Committee has amended this bill by changing its effective date to July 1, 2112. A technical, nonsubstantive amendment was also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1157      Housing/Water, Land, & Ocean Resources on S.B. No. 440**

The purpose of this bill is to deem accepted by the county a request for dedication of infrastructure for affordable housing if the county fails to accept or reject the request within 90 days and the following conditions are met:

- (1) Applicable connection and meter fees and utility costs of the infrastructure have been paid;
- (2) The infrastructure conforms to applicable county standards; and
- (3) The county has approved the completion of the improvements comprising the infrastructure.

The Hawaii Housing Finance and Development Corporation and Land Use Research Foundation of Hawaii supported this bill. The Office of Hawaiian Affairs and Kamehameha Schools supported the intent of this bill. The Office of the Governor supported this bill with amendments. A member of the Maui County Council offered comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2050; and
- (2) Making technical, nonsubstantive changes for style, clarity, and conformity.

Your Committees note that in a similar bill, H.B. No. 354, H.D. 1, previously heard by your Committees, the counties were given 60 rather than 90 days to approve or reject a request for the dedication of infrastructure.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 440, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 440, S.D. 2, H.D. 1, and be referred to the Committee on Transportation.

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

**SCRep. 1158      Housing/Water, Land, & Ocean Resources on S.B. No. 773**

The purpose of this bill is to appropriate funds for several housing and homeless programs and projects in recognition of the possible availability of federal funds through the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

The Honolulu Department of Planning and Permitting, Kalihi-Palama Health Center, and Partners in Care supported this bill. Catholic Charities Hawaii and the Office of Hawaiian Affairs supported the intent of this bill. The Hawaii Public Housing Authority opposed this bill. The Hawaii Housing Finance and Development Corporation offered comments.

Your Committees have amended this bill by:

- (1) Blanking out the amounts of all appropriations except for the \$5,300,000 appropriated in Part V for homeless services; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 773, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 773, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1159      Housing/Water, Land, & Ocean Resources on S.B. No. 1277**

The purpose of this bill is to increase incentives for the development of affordable housing in Hawaii by:

- (1) Establishing a Self-help Housing Trust Fund (Trust Fund) with revenues from the conveyance tax, which is also increased by this bill, to provide loans and grants for self-help housing units (Part I);
- (2) Shortening the period over which state low-income housing tax credits may be taken from ten years to five years (Part II);
- (3) Facilitating the collection of the shared appreciation equity lien, deferred sales price lien, and excess proceeds lien in lieu of any buyback, imposed by the State on the sale of affordable housing properties that received assistance from the Hawaii Housing Finance and Development Corporation (HHFDC) and are undergoing foreclosure (Part III);
- (4) Establishing a state income tax credit up to or equal to 20 percent of the annual mortgage interest payment of low- and moderate-income persons for the purchase of a principal residence (Part IV); and
- (5) Directing HHFDC to develop recommendations regarding the use of tax incremental financing (Part V).

Kamehameha Schools, the Office of Hawaiian Affairs, the Hawaii County Economic Opportunity Council, Hawaii Island Community Development Corp., Hawaii Habitat for Humanity Association, Habitat for Humanity West Hawaii, Inc., Honolulu Habitat for Humanity, Dreambuilders Foundation, Sovereign Councils of the Hawaiian Homelands Assembly, Self-Help Housing Corporation of Hawaii, and several concerned individuals supported this bill. The Department of Taxation, Department of Budget and Finance, Department of Land and Natural Resources, HHFDC, Honolulu Department of Planning and Permitting, Honolulu Department of Community Services, Tax Foundation of Hawaii, Nature Conservancy, and Hawaii Association of Realtors commented on this bill.

Your Committees acknowledge a need for a multi-faceted approach to ease the housing crisis in the state. At the same time, however, your Committees recognize the revenue shortfalls facing the State and the financial hardships of its residents during this economic downturn. Accordingly, your Committees have amended this bill by retaining the provisions to promote self-help housing, but deleting the provisions that increase taxes, create tax credits, and propose to study tax incremental financing. In addition, your Committees find that Parts II and III of this bill are adequately addressed by other bills currently moving through the Legislature.

Specifically, your Committees have amended this bill by:

- (1) Changing the name of the Trust Fund to the Self-help Housing Special Fund (Special Fund);
- (2) Restoring to 25 percent the amount of the conveyance tax paid into the Natural Area Reserve Fund;
- (3) Blanking out the percentage of conveyance tax to be distributed to the Special Fund;
- (4) Deleting Parts II, III, IV, and V; and
- (5) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1277, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1160 Water, Land, & Ocean Resources on S.B. No. 721**

The purpose of this bill is to make discretionary, rather than mandatory, the Hawaii Community Development Authority's (HCDA) authority to assess the cost of public facilities against the property in the community development district specifically benefiting from the facilities.

A concerned individual supported this bill. HCDA supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 721 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Thielen.

**SCRep. 1161 Water, Land, & Ocean Resources on S.B. No. 1069**

The purpose of this bill is to require the Hawaii Community Development Authority (HCDA) to collaborate with and consider the recommendations of the Kakaako Makai Community Planning Advisory Council (CPAC) in developing, accepting, and implementing any plans for the development of Kakaako makai area of the Kakaako Community Development District (District).

CPAC, the Ocean Tourism Coalition, and several concerned individuals supported this bill. HCDA supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Requiring the transferee to allow the participation and consider the recommendations of CPAC with regard to any of the property in the District transferred to a state or county agency; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Ching and Thielen.

**SCRep. 1162 Human Services/Health on S.B. No. 415**

The purpose of this bill is to require the Department of Health to license home care agencies.

Specifically, this bill:

- (1) Requires the Department of Health to:
  - (A) Begin licensing home care agencies on July 1, 2010; and
  - (B) Adopt rules to implement the licensure process;
- (2) Defines "home care agency" and "home care services; and
- (3) Exempts provider agencies under contract with the Elderly Affairs Division of the City and County of Honolulu from licensure requirements.

Your Committees received testimony in support of this bill from the Chamber of Commerce of Hawaii, the Healthcare Association of Hawaii, AARP Hawaii, and the ILWU Local 142. Testimony in opposition to the measure was submitted by the Department of Human Services. The Department of Health deferred to the Department of Human Resources.

Your Committees find that an increasing number of Hawaii's residents, many of whom are elderly and vulnerable, are receiving a variety of home care services. The health, safety, and welfare of these residents must be protected. Your Committees find that licensing of home care agencies is an important step in providing this protection.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 415, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1163 Human Services on S.B. No. 186**

The purpose of this bill is to more effectively support those who care for foster children by increasing the monthly board rate paid to foster boarding home parents, group homes, and child caring institutions by the Department of Human Services (DHS).

This bill appropriates general revenues to fund this increase and requires DHS to submit an initial status report to the 2010 Legislature and a final report, to the 2011 Legislature including annual implementation costs, anticipated future costs, and the number of foster children affected.

The Hawaii Youth Services Network, It Takes an Ohana, and several concerned individuals supported this bill. DHS opposed this measure.

Your Committee understands concerns raised by DHS that increasing the monthly board rate by just \$100 per month would cost the State approximately \$19 million for the biennium. In addition, your Committee acknowledges that DHS would prefer to address this issue within the department, through a change in the administrative process rather than through legislation.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 186, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1164 Human Services on S.B. No. 1666**

The purpose of this bill is to sustain essential health, education, employment, and economic assistance programs using Temporary Assistance for Needy Families funds while preserving an adequate reserve of these funds.

The Office of Youth Services, Child & Family Service, Good Beginnings Alliance, Aloha United Way, Goodwill, Blueprint for Change, National Association of Social Workers, and several concerned individuals supported this bill. The Department of Human Services supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Removing Public Law references to the new federal stimulus package, the American Recovery and Reinvestment Act of 2009;
- (2) Generally expanding the purposes for the original funding items in this bill;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1666, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1666, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1165 Human Services on S.B. No. 112**

The purpose of this bill is to help protect child witnesses by requiring documents used or developed by the Children's Justice Program (Program) to be considered confidential and not subject to release except to Program staff and agencies and providers directly involved in cases, medical and mental health professionals under specified conditions, and the courts.

The Judiciary supported this bill. The Office of Information Practices provided comments.

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

- (1) Specifying that the confidentiality of documents applies only to specifically identified cases or clients; and
- (2) Specifying that documents comprising client interview guidelines, other interview-related material, and training material for forensic interviewers shall also be considered confidential.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 112, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1166 Energy & Environmental Protection on S.B. No. 1066**

The purpose of this bill is to expand the number of members on the Natural Energy Laboratory of Hawaii Authority (NELHA) Board of Directors from 11 to 13, to include two members who are NELHA tenants.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Luke, Ching and Thielen.

**SCRep. 1167 Human Services/Health on S.B. No. 417**

The purpose of this bill to help provide fair compensation to acute care hospitals and long-term care facilities by:

- (1) Requiring medicaid reimbursements to hospitals for long-term care patients occupying acute-licensed beds due to waitlisting to be equal to the acute medical services payment rate; and
- (2) Requiring medicaid reimbursements to long-term care facilities for patients with medically-complex conditions to be paid at the State rate for subacute care.

The Queen's Medical Center, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, The Chamber of Commerce of Hawaii, AARP and Hawaii Business Roundtable supported this bill. The Department of Human Services (DHS) opposed this bill. The Waianae Coast Comprehensive Health Center and Ke Kama Pono Safe House Program provided comments.

Your Committees recognize that the cost of health care, whether physical, mental, or emotional, continues to rise, threatening the availability of services and reducing the effectiveness of service delivery. It is with this in mind that your Committees feel additional appropriations are necessary for emergency services at federally qualified health centers and to support safe house programs to ensure the mental and emotional health of at-risk youth.

Your Committees have chosen to leave the appropriation amounts unspecified in acknowledgement of the delicate position in which current fiscal difficulties have placed your Committee on Finance. Your Committees note, however, that they foresee an appropriation of \$332,000 for emergency services at federally qualified health centers such as the Waianae Coast Comprehensive Health Center, and \$750,000 for safe house programs such as the Ke Kama Pono Safe House Program.

Additionally, your Committees recognize that services provided by the Department of Health and those provided by DHS often overlap. As such, your Committees hope that this will be taken into consideration where expenditures are concerned as this bill continues through the legislative process.

Accordingly, your Committees have amended this bill by:

- (1) Including an unspecified appropriation for emergency services at Federally Qualified Health Centers; and
- (2) Including an unspecified appropriation for safe house programs that ensure the mental and emotional health of at-risk youth.

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 417, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 417, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1168 Human Services/Health on S.B. No. 1344**

The purpose of this bill is to help minimize disruptions to health care services to QUEST recipients caused by positive enrollment by requiring the Department of Human Services (DHS) to:

- (1) Allow existing members of QUEST plans to select a health plan during an initial enrollment period of at least sixty days;
- (2) Randomly assign no more than five percent of the total number of QUEST recipients who have not enrolled according to an automatic assignment algorithm, provided that:
  - (A) A recipient who is automatically assigned may choose a different health plan within a ninety-day period after the automatic assignment, and may choose to opt out of the assigned health care plan during the first visit to a provider; and
  - (B) DHS will reimburse a provider if an automatically-assigned QUEST recipient mistakenly goes to a previous plan's provider;
- (3) Assign QUEST recipients who have not enrolled and not been randomly chosen to the health plan they were enrolled in at the start of the enrollment period; and
- (4) Conduct a public awareness campaign to educate QUEST recipients about their options.

The Hawaii Primary Care Association supported this bill. Hawaii Pacific Health supported this measure with amendments. AlohaCare, The Community Clinic of Maui, and Waikiki Health Center supported the intent of this bill. DHS opposed this measure.

Positive enrollment is a policy whereby QUEST recipients are periodically required to dis-enroll in their health care plan and actively choose either the same plan or a new plan. Those who do not actively select a plan during these periods are automatically assigned by DHS to a plan, which may or may not be the recipient's previous plan.

While your Committees acknowledge the concerns about competition and adequate service delivery that DHS points out, your Committees also note that health care plans provided by employers or available to private-pay clients do not require a policy of positive enrollment. Additionally, your Committees note that the positive enrollment policy has created confusion and case management disruption, particularly for those recipients who would prefer to remain with the same health care provider.

Accordingly, your Committees have amended this bill by:

- (1) Removing language that details limitations on the positive enrollment policy;
- (2) Including a provision that prohibits DHS from requiring a QUEST or QUEST Expanded Care recipient to re-enroll in a health plan unless their chosen plan no longer actively provides services and coverage;
- (3) Requiring insurance entities contracting with the State to provide Medicaid coverage to enter into written contracts with a minimum of 50 percent of hospitals and providers in their coverage area; and
- (4) Changing the effective date to January 1, 2050, to encourage further discussion.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1344, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1344, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1169 Education on H.C.R. No. 89**

The purpose of this concurrent resolution is to request that the Hookakoo Corporation report on the progress and impacts of the models for expanded learning time being piloted by the Hookakoo Corporation's partner conversion charter schools. Hookakoo Corporation and the Department of Education are requested to collaborate on the development of plans to pilot expanded learning time models to benefit Hawaii's public school students.

The Department of Education, Hookakoo Corporation, Hawaii Association of Independent Schools, Kamehameha Schools, Kualapuu School, Waimea Middle School, Kamaile Academy, and a concerned individual testified in support of this measure. A concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89 and recommends its adoption.

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

**SCRep. 1170 Labor & Public Employment on S.B. No. 947**

The purpose of this bill is to conform State Unemployment Insurance (UI) law to federal law by:

- (1) Ensuring that the state's experience rating system is applied uniformly to all business transfers, whether total or partial, or mandatory or voluntary; and
- (2) Amending a citation of federal law to reflect the correct section of the Internal Revenue Code, as amended.

The Department of Labor and Industrial Relations testified in support of this bill.

In 2004, Public Law 108-295 (P.L. 108-295) established a nationwide minimum to curb the use of a tax evasion scheme involving the manipulation of an employer's UI tax rate to achieve a lower rate and thereby pay less UI tax. This was accomplished through a variety of means, including business transfers, restructuring, payroll transfers, and shell transactions.

In 2005, Hawaii passed legislation to conform state UI laws to the new requirements of P.L. 108-295. However, an inconsistency in the time periods used to calculate an employer's UI tax rates under certain conditions still exists, which can result in multiple recalculations within a given year costing the State and employers time and money. This measure corrects this problem.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1171 Labor & Public Employment on S.B. No. 1126**

The purpose of this bill is to provide flexible employment opportunities for certain full-time, permanent employees of the State by authorizing the executive and judicial branches of government, the Legislative Reference Bureau, the Office of the Auditor, and the Office of the Ombudsman to establish voluntary, job-sharing programs.

The Department of Human Resources Development submitted comments on this bill.

The economic and social conditions in Hawaii over the last year have had a tremendous impact on the lives of Hawaii's residents. The use of flexible employment opportunities, such as job-sharing, can have an extremely positive influence on the ability of working individuals to meet the changing social and economic realities of life in Hawaii.

According to an auditor's report on several pilot projects, job-sharing was found to be a feasible, desirable, and cost-effective work arrangement that provided employees with the flexibility to care for children, spend more time with families, and take care of other personal needs. These programs also



increased worker productivity and improved worker morale. Providing agencies with the ability to institute job-sharing programs at their discretion could be a means of improving government operations and retaining qualified employees.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1172 Labor & Public Employment on S.B. No. 690**

The purpose of this bill is to allow for civil service employees to be moved or exchanged between state, county, and federal government positions if certain conditions are met.

The Department of Human Resources of the City and County of Honolulu, Department of Civil Service of the County of Hawaii, and Department of Personnel Services of the County of Maui testified in opposition to this bill.

Act 253, Session Laws of Hawaii 2000, was intended to reform the civil service system. In doing so, however, certain transfer rights and benefits afforded state and county employees were repealed. Although state and county departments have continued to allow movements of employees between and among their jurisdictions under the current civil service law and rules adopted in accordance with that law, your Committee finds that this measure will statutorily restore these rights and benefits.

While no testimony was received in support of this measure, your Committee notes that the main concern by those opposed to this bill was the use of a selection process for exchanges or movements of personnel using an open-competitive civil service recruitment process. Accordingly, your Committee has amended this bill by removing language requiring gaining jurisdictions to determine an employee's fitness and qualifications for the class or position to which the employee is being exchanged or moved through an open-competitive civil service recruitment process.

Your Committee has further amended this measure by:

- (1) Removing language restricting the eligibility to participate in intergovernmental exchanges or movements to permanent civil service positions in the sending jurisdiction;
- (2) Removing language requiring employees participating in intergovernmental exchanges or movements to hold only permanent civil service positions in the gaining jurisdiction;
- (3) Providing the Director of Human Resources Development the ability to require a noncompetitive examination of an employee to determine the employee's fitness and qualifications for the class to which the employee is being exchanged or moved;
- (4) Removing language establishing an initial probationary period for participating employees for positions in the gaining agency; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 690, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 690, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1173 Labor & Public Employment on S.B. No. 1122**

The purpose of this bill is to ensure that a fair and equitable civil service system is used for a majority of employees in public service by changing the status of public employment positions that are statutorily exempt from civil service to civil service positions. This measure conforms to the intent and purpose of Act 253, Session Laws of Hawaii 2000, better known as the "Civil Service Reform Act."

Three exempt employees testified in support of this bill. The Judiciary, Department of Accounting and General Services, Hawaii Public Housing Authority, Department of Human Resources Development, Department of Land and Natural Resources, Department of Public Safety, Department of Commerce and Consumer Affairs, Department of Health, Office of the Public Defender, and Department of Labor and Industrial Relations testified in opposition to this measure. The Employer-Union Health Benefits Trust Fund provided comments on this bill.

To preserve the principle that the civil service system comprises all positions in the state, your Committee finds that the number of civil service exempt positions should be limited to the greatest extent possible. The proliferation of exempt positions in the state over the years tends to undermine this principle. Placing limits on the number of exempt positions and regularly monitoring the implementation of those limits will help preserve the integrity of the civil service system.

However, your Committee understands that concerns have been raised regarding this bill but believes that these concerns can be addressed as the bill makes its way through the legislative process. Nevertheless, to address some of these concerns, your Committee has amended this bill by deleting its contents and replacing it with language contained in H.B. No. 1287, HD1. As amended, this bill accomplishes the same goals of the original bill by converting certain exempt state positions to civil service status but also:

- (1) Removes the requirement that civil service exempt positions be repealed every three years unless extended by the Legislature;
- (2) Provides for the automatic conversion of civil service exempt positions to civil service positions within three years of the enactment of this measure; and
- (3) Deletes the provision that makes it mandatory for employees of the Office of the Public Defender to be appointed in accordance with civil service requirements.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1122, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1174 Health/Human Services on S.B. No. 1094**

The purpose of this bill is to improve patient care, reduce errors, and save overall costs to the State's health care system by requiring the Department of Health (DOH) to establish a Patient-Centered Health Care Homes Pilot Project (Pilot Project) to direct payment of certain state funds received from the federal American Recovery and Reinvestment Act of 2009 (ARRA) to federally qualified health centers (FQHC) to support FQHCs as patient-centered health care homes.

The Kokua Council, Waikiki Health Center, and Hawaii Primary Care Association supported this bill. DOH opposed this measure.

Your Committees have amended this bill by replacing its contents with the similar contents of H.B. No. 1375. As amended this bill:

- (1) Deletes the requirement that the funding for the Pilot Project derive solely from the ARRA;
- (2) Reestablishes requirements that DOH report its findings and recommendations in the 2012 and 2013 legislative sessions;
- (3) Removes requirements that DOH include in the 2011 report to the Legislature, progress and final recommendations on whether to make the Pilot Project permanent and any proposed legislation; and
- (4) Makes technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1094, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1094, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1175 Health/Human Services on S.B. No. 1679**

The purpose of this bill is to appropriate funds from the Emergency and Budget Reserve Fund to maintain the levels of services of programs determined to be essential to education, public health, and public welfare in the state.

The Department of Education, State Council on Developmental Disabilities, Hawaii Family Support Institute, The Arc of Kauai, Easter Seals Hawaii, Maui Family Support Services, Inc., The Mestizo Association, Hawaii Substance Abuse Coalition, AARP Hawaii, Hawaii Inspections Group, ILWU Local 142, Family Support Services of West Hawaii, Alternative Care Services, Inc., Lanakila Pacific, Catholic Charities Hawaii, Parents and Children Together, Hawaii State Teachers Association, Hawaii Family Forum, Hawaii Catholic Conference, The Arc in Hawaii, Kokua Council, Hawaii Alliance for Retired Americans, Family Voices of Hawaii, Hawaii Waiver Providers Association, Policy Advisory Board for Elder Affairs, Special Education Center of Hawaii, National Alliance on Mental Illness – Hawaii, Hawaii Down Syndrome Congress, Good Beginnings Alliance, Goodwill Industries of Hawaii, Inc., Legal Aid Society of Hawaii, Volunteer Legal Services Hawaii, Hawaii Primary Care Association, Child and Family Service, National Association of Social Workers, Waikiki Community Center, Oahu's Kupuna Care provider agencies, and numerous concerned individuals supported this bill. The Department of Budget and Finance opposed this measure. The American Cancer Society Hawaii Pacific, Inc., submitted comments.

Your Committees have amended this bill by:

- (1) Appropriating funds for the:
  - (A) Hawaii Children's Health Care Program, established pursuant to Act 236, Session Laws of Hawaii 2007; and
  - (B) Hawaii Immigrant Health Initiative Program services administered by the Kalihi-Palama Health Center;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1679, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1679, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1176 Health on S.B. No. 1073**

The purpose of this bill is to improve health conditions for Hawaii's inmates and detainees as well as the people who work with them by prohibiting smoking in all state correctional facilities.

The Department of Public Safety, Department of Health, Hawaii Medical Association, American Cancer Society, American Lung Association in Hawaii, Hawaii Chronic Obstructive Pulmonary Disease Coalition, and Coalition for a Tobacco Free Hawaii supported this bill. The United Public Workers AFSCME, Local 646, AFL-CIO and a concerned individual opposed this measure. The Community Alliance on Prisons submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing the warden of each state correctional facility to designate an area for smoking outside of the facility for employees and volunteers only; and

- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1073, S.D. 1, H.D. 1, and be referred to the Committee on Public Safety.

Signed by all members of the Committee except Representatives Belatti, Carroll and Shimabukuro.

**SCRep. 1177 Health on S.B. No. 1610**

The purpose of this bill is to ensure the continued provision of valuable medical care to patients by physician assistants (PA) and registered nurses (RN) under the orders of licensed physicians by:

- (1) Clarifying that a PA acts as an agent of the supervising physician when issuing a medical order and that the order is deemed to be issued by the supervising physician; and
- (2) Ensuring PAs and RNs exercise due care in performing within their respective scope of practice.

The Board of Nursing, Occupational Therapy Association of Hawaii, The Academy of Physician Assistants, and several concerned individuals supported this bill. The Hawaii Medical Board supported the intent of this measure. Kaiser Permanente Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1610, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1610, S.D. 2, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Carroll and Shimabukuro.

**SCRep. 1178 Legislative Management on S.B. No. 1105**

The purpose of this bill is to require legislative public hearings or informational briefings be held on studies or audits that are requested by the Legislature by a concurrent resolution or required by law that are prepared by:

- (1) An executive department or agency;
- (2) The Auditor;
- (3) The Judiciary;
- (4) The Legislative Reference Bureau; or
- (5) The Office of Hawaiian Affairs.

The Hawaii Women's Political Caucus and Hawaii Friends of Civil Rights supported this measure.

Your Committee has amended this bill by:

- (1) Requiring that studies or audits of the Hawaii Health Systems Corporation also be subject to legislative public hearings or briefings; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1105, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1179 Economic Revitalization, Business, & Military Affairs on S.B. No. 300**

The purpose of this bill is to ensure that liquor licensees who sell liquor for consumption on the licensee's premises share in the cost of liquor liability insurance, by:

- (1) Requiring restaurants, retail dealers, dispensers, clubs, cabarets, hotels, caterers, and condominium hotels holding certain classes of liquor licenses to carry liquor liability insurance as a condition of acquiring, transferring, or renewing a license; and
- (2) Requiring liquor liability insurers to notify the Liquor Commission upon a termination, rejection, or nonrenewal of a licensee's coverage.

The Hawaii Insurers Council, Hawaii County Office of Liquor Control, Maui County Department of Liquor Control, Kauai County Department of Liquor Control, and the City and County of Honolulu Liquor Commission opposed this bill. The Hawaii Food Industry Association submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of H.B. No. 563, H.D. 1, Regular Session of 2009, which requires class 5 dispenser liquor licensees to carry liability insurance as a condition of acquiring, transferring, and renewing a license.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 300, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 300, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Berg and Manahan.

**SCRep. 1180 Economic Revitalization, Business, & Military Affairs on S.B. No. 101**

The purpose of this bill is to ensure the safety of individuals who hire taxis by authorizing the county agencies responsible for taxicab regulations to conduct criminal history record checks on taxicab drivers and applicants for taxicab driver's certificates.

A Kauai County Council member supported this measure. The Hawaii State Association of Counties and a Maui County Councilmember offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 101, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 101, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Berg.

**SCRep. 1181 Economic Revitalization, Business, & Military Affairs/Tourism, Culture, & International Affairs on S.B. No. 1005**

The purpose of this bill is to encourage and protect artists and other persons in Hawaii's performing arts and related industries by:

- (1) Establishing a property right in the commercial use of a person's name, voice, signature, photograph, or likeness; and
- (2) Providing remedies for infringements on the right.

Genoa Keawe Records, Inc., Kanikapila Records, Inc., and a concerned individual supported this measure. The Office of Hawaiian Affairs supported this bill and suggested an amendment. Surfside Hawaii, Inc., and Cord International/Hana Ola Records commented on this bill.

There was testimony that this bill might affect established contractual rights. Accordingly, your Committees respectfully request the Committee on Judiciary to which this bill is next referred, to examine any contract clause issues raised by this measure.

Your Committees have amended this bill to encourage further discussion by changing its effective date to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Tourism, Culture, & International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1005, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1005, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Wakai and Marumoto.

**SCRep. 1182 Economic Revitalization, Business, & Military Affairs/Agriculture on S.B. No. 506**

The purpose of this bill is to encourage agricultural self-sufficiency and strengthen the Hawaii products preference in the Hawaii State Procurement Code (Procurement Code) by:

- (1) Allowing persons submitting bids or proposals to self-certify that their product meets minimum specifications to receive a preference as a Hawaii product;
- (2) Providing for the voiding of a contract and referral of an offeror for debarment or suspension proceedings for failure to comply with Hawaii product preference requirements;
- (3) Amending the definition of "Hawaii products" to be those in which the cost of the product attributable to labor, production, or other expenses arising in the state, exceeds 50, as opposed to 25 percent of the product's cost;
- (4) Consolidating class II and III Hawaii products under the category of class I products and defines class I as products where the value of Hawaii input into the product exceeds 50 percent of the total product cost;
- (5) Defining class II products as any agricultural, aquacultural, horticultural, silvicultural, floricultural, or livestock product raised, grown, or harvested in the state; and
- (6) Providing that the preference to be applied to a bid or proposal for class I Hawaii products is a ten percent decrease in the bid or proposal, and a 15 percent decrease for class II Hawaii products.

The Department of Agriculture commented on this bill.

Your Committees have amended this bill by replacing its substance with that of H.B. No. 988, H.D. 2. As amended, this bill reflects the House position on this subject and differs from the Senate Draft in that it:

- (1) Amends the Hawaii Administrative Rules to remove exemptions for certain agricultural products from the Procurement Code;
- (2) Adds to the list of causes for debarment or suspension under the Procurement Code, the failure to adequately verify, deliver, or supply Hawaii products;
- (3) Does not define "Hawaii component," or amend the definition of "products;"
- (4) Becomes effective on July 1, 2020; and
- (5) Contains technical, nonsubstantive differences.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 506, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 506, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Wakai, Marumoto and Ward.

**SCRep. 1183            Transportation on S.B. No. 1054**

The purpose of this bill is to increase motor vehicle safety by prohibiting provisional licensees under the age of 18 and holders of a temporary driving permit who are at least 15 years and 6 months old but under the age of 18 from operating a motor vehicle while engaging in various tasks not associated with driving including:

- (1) Using a wireless telephone, including a wireless telephone equipped with a hands-free device, or any other electronic device, including but not limited to portable video games, portable DVD players, text messengers, Palms, Treos, or Blackberries;
- (2) Consuming food or beverages;
- (3) Engaging in personal grooming that requires the use of a comb, brush, or other personal grooming device; or
- (4) Attempting to reach for any other object or device not related to or necessary for driving.

The Department of Transportation, MADD-Hawaii, and State Farm Mutual Automobile Insurance Company testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

While the use of a hand-held cellular device or other electronic devices such as video games while operating a motor vehicle can be a distraction leading to a motor vehicle collision, any activity that distracts a driver from focusing on their primary action of driving, such as eating and grooming oneself while driving, can have similar negative impacts on traffic safety. Collisions due to these activities could be avoided and personal injury and property damage eliminated through regulations that restrict certain distracting activities while operating a motor vehicle.

However, while this bill seeks to restrict these types of activities to provisional licensees and permit holders within a particular age group, your Committee finds that all drivers, regardless of age, should face the same restrictions. Your Committee also finds that while the safety of using mobile phones in the hands-free mode while driving is still being debated, allowing the use of these devices warrants further discussion. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that prohibits all drivers from operating a motor vehicle while performing certain activities, including:

- (1) The use of a mobile phone unless the phone is equipped with a hands-free device and used in a hands-free mode;
- (2) The use of a mobile phone or other electronic device, including those equipped with a hands-free device, if the motor vehicle is a moving school bus or transit vehicle;
- (3) The use of other electronic devices including music players, video games, personal digital assistants, and similar devices requiring the use of a battery and at least one hand to operate the device;
- (4) The consumption of food or beverages;
- (5) Engaging in personal grooming that requires the use of a comb, brush, or other personal grooming device; and
- (6) Attempting to reach for any other object or device not related to or necessary for driving.

This bill has been further amended to:

- (1) Impose a fine of not more than \$100 for violations;
- (2) Stipulate that enforcement of the prohibition of these activities shall only be accomplished as a secondary action when a driver or operator has been detained for a suspected violation of another traffic infraction; and
- (3) Provide an affirmative defense for a person using the mobile phone for emergency purposes.

Technical, nonsubstantive amendments have also been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki, Takumi and Pine.

**SCRep. 1184 Housing on S.B. No. 1118**

The purpose of this bill is to shorten the period over which low-income housing tax credit may be taken from ten years to five years.

The Department of Taxation, Hawaii Housing Finance and Development Corporation (HHFDC), Hawaii Association of Realtors, EAH Housing, Office of Hawaiian Affairs, and Land Use Research Foundation of Hawaii supported this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Restoring the time period over which the low-income tax credit may be taken to ten years;
- (2) Establishing a low-income housing tax credit loan program administered by HHFDC whereby owners of qualified low-income buildings, including those eligible for subawards under the American Recovery and Reinvestment Act of 2009, may receive no interest loans in lieu of the state low-income housing tax credit;
- (3) Authorizing the issuance of general obligation bonds to fund the loans; and
- (4) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1118, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes and Thielen.

**SCRep. 1185 Consumer Protection & Commerce on S.B. No. 868**

The purpose of this measure is to clarify and coordinate the responsibilities of various state agencies in the development of the State's energy resources in order to increase the use of indigenous renewable sources of energy and reduce the State's dependence on imported oil.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Blue Planet Foundation, Hawaii Renewable Energy Alliance, and Honolulu Seawater Air Conditioning, LLC.

Your Committee finds that while various state agencies retain certain duties and responsibilities with regard to matters relating to energy resources, the Department of Business, Economic Development, and Tourism, through the energy resources coordinator, is responsible for developing and ensuring the achievement of the State's energy policies, programs, and plans. This measure clarifies the responsibility of the Director of the Department of Business, Economic Development, and Tourism who serves as the state energy resources coordinator, to develop and maintain a comprehensive and systematic quantitative and qualitative capacity to analyze the status of energy resources, systems, and markets and to recommend and develop proposals to ensure the effectiveness of state policy and regulatory decisions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

**SCRep. 1186 Consumer Protection & Commerce on S.B. No. 1107**

The purpose of this bill is to improve the Real Estate Commission's (Commission) administration of condominium education programs by merging the Condominium Management Education Fund established under section 514A-131, Hawaii Revised Statutes (HRS), into the Condominium Education Trust Fund (Fund) established under section 514B-71, HRS.

This bill also requires the Commission to:

- (1) Include the following information in its annual Fund report to the Legislature:
  - (A) The target audience of each Fund program, including those directed at the education of individual condominium owners; and
  - (B) Amounts paid into the Fund by individual condominium owners;
- and
- (2) Make its condominium education publications available to individual condominium owners in both printed and electronic formats.

The Hawaii Independent Condominium and Cooperative Owners and Hawaii Council of Associations of Apartment Owners testified in support of this bill. The Commission provided comments.

Act 164, Session Laws of Hawaii (SLH) 2004, and Act 93, SLH 2005, updated Hawaii's condominium laws and produced two separate statutory chapters governing condominiums (Chapters 514A and 514B, HRS). This legislation also resulted in the Commission's administration of two funds, one in Chapter 514A, HRS, and one in Chapter 514B, HRS, with the identical purposes of financing or promoting:

- (1) Education and research in the fields of condominium management, condominium project registration, and real estate;
- (2) Improvements in the administration of associations; and
- (3) Expedient and inexpensive procedures for resolving association disputes.

Management of both funds is administratively burdensome, requiring the Commission to separately budget, plan, and account for the receipts and expenses of each fund. This bill attempts to eliminate any confusion and unnecessary burdens stemming from the existence of both funds.

Your Committee has amended this bill by:

- (1) Amending the violations and Commission enforcement statutes under the Chapter 514A, HRS, condominium law to restore:
  - (A) References to section 514A-2, HRS, relating to the applicability of Chapter 514A, HRS, in relation to other laws; and
  - (B) The violation under section 514A-134, HRS, of filing false statements with the Commission, by any association of apartment owners, its officers, its board of directors, or its agents;
- (2) Eliminating the provision requiring the Commission to make its condominium education publications available to individual condominium owners in both printed and electronic formats; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1107, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Morita.

**SCRep. 1187 Consumer Protection & Commerce on S.B. No. 886**

The purpose of this bill is to make housekeeping amendments to clarify business registration laws and to correct technical errors, ambiguities, and inconsistencies. This measure amends statutes relating to:

- (1) Business dissolutions and cancellations;
- (2) Electronic transmission of notice to members of nonprofit corporations;
- (3) Procedures for converting an entity into a domestic entity; and
- (4) Reinstatement of general partnerships.

The Department of Commerce and Consumer Affairs (DCCA) and the University of Hawaii Professional Assembly testified in support of this bill.

DCCA expressed concerns that technical amendments made to the original draft of this bill may have the unintended effect of creating inconsistencies among the various business registration laws. Accordingly, your Committee has amended this bill by restoring the original draft of this bill as introduced, except for amendments to conform the bill to the Ramseyer drafting conventions followed by the Legislature.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 886, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 886, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll and Morita.

**SCRep. 1188 Energy & Environmental Protection on S.B. No. 1633**

The purpose of this bill is to facilitate the development of solar energy production in Hawaii by authorizing the issuance of special purpose revenue bonds to assist Epod, Inc., with various costs associated with a solar panel manufacturing plant and solar farm power plant in Hawaii.

Epod Solar Inc., and Sennet Capital LLC supported this bill. The Department of Budget and Finance and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1633, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Ching and Thielen.

**SCRep. 1189 Education/Labor & Public Employment on S.B. No. 497**

The purpose of this bill is to improve the efficiency and effectiveness of the Hawaii Teacher Standards Board (HTSB) as the State's authority on teacher licensing and standards, by:

- (1) Establishing an advisory committee to provide oversight of HTSB;
- (2) Authorizing HTSB to:
  - (A) Determine the manner by which fees are collected;
  - (B) Adopt, amend, repeal, or suspend its policies and standards; and
  - (C) Appoint an executive director;

- (3) Making permanent HTSB's authority to temporarily suspend its rules if extenuating circumstances exist;
- (4) Making permanent HTSB's authority to amend licensing-related fees and set or amend other charges; and
- (5) Authorizing and appropriating funds for HTSB to coordinate the creation of a data interface network consisting of teacher education institutions and the Department of Education to support the free interchange of information valuable to all of the participating organizations.

The Hawaii Association of Independent Schools supported the intent of this bill. The Board of Education, Hawaii State Teachers Association, and several concerned individuals opposed this measure. HTSB and several concerned individuals offered comments.

Your Committees have amended this bill by:

- (1) Deleting the provisions that establish an advisory committee;
- (2) Adding two members to HTSB, to be appointed from among the members of the Hawaii Business Roundtable, Hawaii P-20 Council, or Workforce Development Council;
- (3) Specifying that all licenses issued by HTSB shall be valid for the fields and levels specified on the licenses, rather than just the fields;
- (4) Allowing HTSB, at its discretion through June 30, 2010, to grant additional license extensions, and clarifying that any previously-approved extensions shall be deemed valid as issued;
- (5) Deleting the provisions that authorize and appropriate funds for HTSB to coordinate the creation of a data interface network; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 497, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 497, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1190 Education/Labor & Public Employment on S.B. No. 747**

The purpose of this bill is to improve workforce development in the state through various initiatives, programs, and appropriations.

The Department of Education (DOE) supported this bill. The Department of Business, Economic Development, and Tourism, Department of Labor and Industrial Relations, and University of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Deleting provisions that establish and appropriate funds for a community-business education exchange coordinator position in DOE;
- (2) Removing the appropriation for expansion of the DOE volunteer website;
- (3) Removing the appropriation for working adult scholarships; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 747, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 747, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1191 Education on S.B. No. 360**

The purpose of this bill is to allow home schooled students to participate on an equal basis in extracurricular activities offered at the public school they would otherwise be required to attend.

The Department of Education, an individual member of the Board of Education, and many concerned individuals supported this bill. The Athletic Directors and Coaches Association of Hawaii, Big Island Interscholastic Federation of Athletic Directors and Coaches, and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "extracurricular activity" by removing the references to music and band, which are co-curricular activities;
- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 360, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Nakashima, Saiki and Shimabukuro.



**SCRep. 1192 Education on S.B. No. 777**

The purpose of this bill is to ensure the delivery of accurate sex education information by requiring sexuality health education programs that receive state funding to provide medically-accurate, factual, and age-appropriate information that includes education on abstinence, contraception, and methods of disease prevention.

An individual member of the Board of Education, the National Association of Social Workers, Hawaii State Democratic Women's Caucus, Hawaii Women's Political Caucus, Hawaii Youth Services Network, American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, and several concerned individuals supported this bill. Catholic Charities of Hawaii, the Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Nakashima, Saiki and Shimabukuro.  
(Representatives Bertram, Ching and Finnegan voted no.)

**SCRep. 1193 Agriculture/Tourism, Culture, & International Affairs on S.B. No. 696**

The purpose of this bill is to address the problem of coqui frog infestations by authorizing the counties to use a portion of their transient accommodations tax collections (TAT) toward coqui frog eradication efforts.

The Department of Agriculture and the Mayor of the County of Hawaii supported this bill. The Department of Land and Natural Resources submitted comments.

Your Committees recognize that TAT allocations provided to each county are used pursuant to each respective county's priorities, and that a county may already use TAT funds to finance coqui frog eradication efforts. It is not the intent of your Committees to restrict or limit the authority of each county to use TAT allocations in accordance with its own priorities. This measure reflects a policy statement by your Committees emphasizing their commitment to resolving the coqui frog problem.

In addition, discussion was held regarding the need to address other invasive species that threaten Hawaii's agriculture and ecosystem. Your Committees support continued efforts to controlling and eradicating the broad spectrum of invasive threats that pose significant dangers to the state.

As affirmed by the records of votes of the members of your Committees on Agriculture and Tourism, Culture, & International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 696, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey and Wakai.

**SCRep. 1194 Judiciary/Public Safety on S.B. No. 1058**

The purpose of this bill is to reduce the costs of incarcerating offenders and prison overcrowding by requiring the Attorney General to coordinate a review of the impact that diverting minor drug possession offenders into drug treatment would have on the criminal justice system, drug treatment program resources, and public safety.

The Office of Hawaiian Affairs, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this bill. The Drug Policy Forum of Hawaii, Hawaii Advocates for Consumer Rights, Drug Policy Action Group, Honolulu Chapter of Americans for Safe Access, and the Big Island Chapter of Americans for Safe Access supported this bill with amendments. The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department opposed this measure. The Representative of the 11<sup>th</sup> House District, West Oahu Hope for a Cure Foundation, and several concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Establishing a temporary Medical Marijuana Task Force within the Department of Public Safety (DPS) to review issues relating to the medical marijuana program;
- (2) Establishing a temporary Salvia Divinorum Task Force within DPS to review the effects of salvia divinorum and its primary psychoactive constituent, salvinorin A;
- (3) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1058, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1058, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, McKelvey, Mizuno, Morita, Rhoads, Saiki, Wakai, Pine and Thielen.

**SCRep. 1195 Water, Land, & Ocean Resources/Judiciary on S.B. No. 995**

The purpose of this bill is to resolve the claims relating to the portion of income and proceeds from the public trust lands owing to the Office of Hawaiian Affairs (OHA) between November 7, 1978, and July 1, 2009.

Specifically, this bill calls for a two-step transfer of lands valued at \$200,000,000 to OHA in satisfaction of the claims. For the first step, this bill transfers to OHA certain parcels in Kakaako Makai valued at \$92,719,415, subject to OHA's right to reject any or all parcels after performing due diligence. The second step envisions conveyance in 2010 of parcels to OHA valued at \$107,280,585.

OHA testified in support of this bill with amendments. The Office of the Attorney General opposed this bill. Several concerned individuals submitted comments.

Your Committees have amended this bill by:

- (1) Clarifying that the time period of the claims addressed by this bill runs from November 7, 1978, and July 1, 2008;
- (2) Clarifying that the valuation of the Kakaako Makai parcels proposed to be conveyed by this bill is the tax assessed value established during tax year 2007-2008;
- (3) Deleting the exemption of TMK 2-1-058:41 and 2-1-058:110 from the parcels proposed to be conveyed;
- (4) Deleting the requirement to transfer the management and control of the conveyed parcels to a sovereign native Hawaiian entity upon its recognition by the United States and the State; and
- (5) Making technical, nonsubstantive changes for style, clarity, and consistency.

Your Committees recognize that this bill deals only with past claims of OHA up to July 1, 2008, and does not represent a global settlement of the issue. Your Committees encourage OHA and the Administration to continue negotiations to resolve all claims pursuant to this issue and respectfully request that the Conference Committee in considering this bill include any settlement reached by the parties as to future payments. In addition, your Committees recognize that in the negotiations between OHA and the Administration to date, the parcels proposed to be conveyed by this bill are the parcels agreed upon by the parties. Accordingly, your Committees encourage the conferees to respect this agreement and refrain from including other parcels in this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 995, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 995, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Chong, Luke, McKelvey, B. Oshiro, Sagum, Souki and Wakai.

**SCRep. 1196 Economic Revitalization, Business, & Military Affairs on S.B. No. 523**

The purpose of this bill is to improve the ability of the High Technology Research and Development Loan and Grant Program (Program) to nurture the growth and development of small, innovative, high technology companies by:

- (1) Removing the \$25,000 cap on grants, to allow businesses that receive a federal small business innovation research phase I, or federal small business technology transfer program award or contract, to receive grants of up to 50 percent of the award or contract;
- (2) Allowing a preference to be given to businesses receiving their first award, over multiple award grantees; and
- (3) Removing outdated references to the Hawaii Capitol Loan Revolving Fund which was previously repealed.

The Department of Business, Economic Development, and Tourism, and the High Technology Development Corporation supported this bill.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 549, H.D. 1, Regular Session of 2009, with additional amendments. As amended, this measure differs from the bill as referred to your Committee by:

- (1) Requiring, rather than allowing, the High Technology Development Program to provide grants under the Program;
- (2) Deleting provisions allowing a preference to be given to businesses receiving their first award, over multiple award grantees;
- (3) Deleting provisions that remove outdated references to the Revolving Fund; and
- (4) Changing the effective date of the measure to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 523, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 523, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg and Manahan.

**SCRep. 1197 Economic Revitalization, Business, & Military Affairs on S.B. No. 537**

The purpose of this bill is to allow the Legislature and state agencies to better monitor, assess, and promote aerospace development in the State by establishing an Aerospace Advisory Committee that, among other things, will:

- (1) Track trends and priorities in aerospace development;
- (2) Identify, promote, and recommend opportunities, strategies, and policies to expand and diversify aerospace development and aerospace-related industries in Hawaii;
- (3) Support networking with national and international aerospace agencies, institutions, and organizations to develop public-private partnerships; and
- (4) Appoint temporary working groups to assist the Office of Aerospace Development to complete reports to the Legislature and the Governor.

The Pacific International Space Center for Exploration Systems and two concerned individuals supported this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 537, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg and Manahan.

**SCRep. 1198 Economic Revitalization, Business, & Military Affairs on S.B. No. 830**

The purpose of this bill is to reduce costs and maximize efficient implementation of the State's information technology systems by establishing a Shared Services Technology Special Fund (Special Fund), which will permit the State to pool agency funds and centrally coordinate planning and acquisition of the State's information technology systems, hardware, and software.

The Department of Education supported this bill. The Department of Accounting and General Services (DAGS) submitted comments.

Your Committee notes that DAGS raised concerns regarding the provision in this measure that requires the Legislature to authorize the use of the Special Fund prior to any expenditure from the Special Fund, and also requested that an appropriate expenditure ceiling be established for the Special Fund. Your Committee respectfully requests the Committee on Finance to examine these issues.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg and Manahan.

**SCRep. 1199 Transportation on S.B. No. 1614**

The purpose of this bill is to assist the Airports Division of the Department of Transportation (DOT) in constructing capital improvement projects (CIPs) by establishing additional financing options for these projects that:

- (1) Allow for the establishment of separate accounts within the Passenger Facility Special Fund; and
- (2) Require the transfer of funds from the passenger facility charges (PFC) into these accounts to pay debt service on bonds issued for the CIPs.

DOT testified in support of this bill.

PFCs were authorized by federal law in the 1990s to provide public agencies with a method of financing for the expansion of the airport system. PFCs are assessed on departing passengers on all international and domestic overseas flights, excluding interisland flights, and are overseen by the Federal Aviation Administration. Under Hawaii law, PFCs may only be used to directly pay costs related to airport projects approved by the Legislature. However, it is unclear as to whether or not PFCs can be used to pay debt service on bond financing for larger projects. This measure will amend current law to allow for such use and provide DOT with an additional means of financing larger projects.

Your Committee has amended this bill by:

- (1) Changing its effective date from July 1, 2050, to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1614, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1200 Transportation on S.B. No. 711**

The purpose of this bill is to provide for greater efficiency in the movement of people through a public transit system by allowing larger articulated buses to operate on public roadways.

The Hawaii Hotel & Lodging Association, Hawaii Transportation Association, and Soderholm Sales & Leasing, Inc., testified in support of this bill.

The use of mass transit has been growing in Hawaii over the past few years. While Honolulu has long had one of the best-rated public transportation systems in the nation, the Neighbor Islands have only recently begun developing and using mass transit systems. Allowing for the use of larger articulated buses on public roadways will create greater capacity for the movement of people through these systems and relieve traffic congestion throughout Hawaii.

Your Committee has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1201      Transportation on S.B. No. 979**

The purpose of this bill is to conform state law to federal commercial driver licensing laws by prohibiting the court-issuance of a hardship license for commercial driver's type licenses.

The Department of Transportation (DOT) testified in support of this bill.

Currently, drivers are allowed to obtain what are known as "hardship licenses," that authorize an individual to drive for limited work-related purposes. However, to meet federal regulations, Hawaii's law needs to clarify that "hardship licenses" are not authorized for an individual's commercial driver's license.

Your Committee notes that, according to DOT, failure to meet these requirements could result in the loss of approximately \$4,600,000 in federal-aid highway funds for the first year of non-compliance and \$9,300,000 per year thereafter, which may impact Hawaii's highway fund. This bill will address those concerns.

Your Committee has amended this bill by changing its effective date from July 1, 2050, to upon its approval.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 979, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 979, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1202      Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on S.B. No. 1167**

The purpose of this bill is to improve the management of the Hawaii Tourism Authority (HTA) by, among other things:

- (1) Making the private contractor operating the Hawaii Convention Center subject to the Hawaii Public Procurement Code;
- (2) Changing the title of the Executive Director of HTA to President and Chief Executive Officer (CEO) and clarifying the President and CEO's duties;
- (3) Removing the power of the HTA to employ persons exempt from Chapters 76 (Civil Service) and 78 (Public Service), Hawaii Revised Statutes;
- (4) Requiring periodic reports to the Governor, Speaker of the House of Representatives, and President of the Senate on contracts and agreements, instead of notice about contracts or agreements valued at \$25,000 or more; and
- (5) Making permanent HTA's ability to retain its own attorneys.

HTA supported this bill. Outrigger Hotels supported the intent of this measure. The Department of Business, Economic Development, and Tourism offered comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1167, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1167, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Wakai and Marumoto.

**SCRep. 1203      Tourism, Culture, & International Affairs/Agriculture on S.B. No. 1272**

The purpose of this bill is to redistribute the allocation of Transient Accommodations Tax moneys deposited into the Tourism Special Fund (TSF) by:

- (1) Changing the base aggregate amount available for distribution from TSF from \$1,000,000 to an unspecified amount;
- (2) Changing the percentages of the base aggregate amount to be deposited into the:

- (A) State Parks Special Fund from 90 percent to an unspecified percentage; and
  - (B) Special Land and Development Fund from 10 percent to an unspecified percentage;
- and
- (3) Directing that an unspecified percentage of the base aggregate amount be deposited into the Pest Inspection, Quarantine, and Eradication Fund.

The Hawaii Tourism Authority, Department of Business, Economic Development, and Tourism, and Hawaii Hotel and Lodging Association opposed this bill. The Department of Land and Natural Resources and Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1272, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1272, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey and Wakai.

**SCRep. 1204 Human Services on S.B. No. 921**

The purpose of this bill is to ensure that the Statewide Council on Independent Living is in compliance with federal law and thereby eligible for federal funding by abolishing it as an entity within the Department of Human Services (DHS).

DHS, the State Council on Developmental Disabilities, the Statewide Independent Living Council, Hawaii Centers for Independent Living, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram and Carroll.

**SCRep. 1205 Labor & Public Employment on S.B. No. 1183**

The purpose of this bill is to provide increased protections for persons with disabilities from discrimination in employment by requiring the Hawai'i Civil Rights Commission to adopt administrative rules to conform protections afforded by state law to recently amended federal law that strengthens protections against disability discrimination in employment.

The Hawai'i Civil Rights Commission (HCRC) testified in support of this bill. The Disability and Communication Access Board and State Council on Developmental Disabilities supported the intent of this measure.

Hawaii has had a long-standing policy to protect against discrimination in the workplace, including discrimination based upon a person's disability and has, in many respects, provided protections stronger than federal law. However, in 2005, federal law was amended to address certain Supreme Court decisions that Congress found interpreted definitions of disability inconsistently with legislative intent. This bill requires the HCRC to adopt administrative rules to minimally conform terms used in state law to define "disability" to recent changes in federal law.

However, your Committee notes that HCRC recommended additional changes to this measure to better conform the administrative rules to federal law. Accordingly, your Committee has amended this bill by:

- (1) Deleting the definitions of the terms "low-vision devices" and "ordinary eyeglasses or contact lenses" as these terms relate to the matter of determining whether an impairment substantially limits a major life activity without regard to mitigating measures and state law is currently stronger than federal law on this issue;
- (2) Including the term "substantially limits" as one of the terms the HCRC is to define because State law is currently narrower and in conflict with the broader protections provided under the amended federal law;
- (3) Providing the HCRC an additional year to complete the rulemaking process; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1183, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1206 Labor & Public Employment on S.B. No. 19**

The purpose of this bill is ensure a well-trained workforce for future construction projects by:

- (1) Providing a preference for bidders on a construction contract with an estimated value of not less than \$250,000 entered into under Hawaii's Procurement Law if the contractor is a party to an apprenticeship agreement that is registered with the Department of Labor and Industrial Relations (DLIR);
- (2) Requiring a compliance officer to consider the actual number of apprentices enrolled in and the annual number of graduates from an apprenticeship program when determining whether an apprenticeship program conforms with Hawaii's apprenticeship law for the purpose of providing a preference on a contract;
- (3) Requiring a bidder or offeror to furnish written proof of being a party to an apprenticeship agreement;
- (4) Establishing requirements for compliance duration; and
- (5) Establishing penalties for non-compliance.

The Hawaii Carpenters Union, Laborers' International Union of North America Local 368, and Hawaii Building & Construction Trades Council, AFL-CIO, testified in support of this bill. DLIR and the Building Industry Association of Hawaii testified in opposition to this measure.

The economic downturn currently being faced across the nation, including in Hawaii, has resulted in both state and federal governments looking to public works projects as a near term means of stimulating the economy. As public works are expected to play a large role in immediate, as well as longer term, economic recovery efforts, it will be essential for the state to have a well-trained workforce skilled in the various construction trades. As many of these individuals gain their best knowledge of a particular trade through apprenticeship programs, providing incentives for contractors to offer and maintain these programs will work toward developing the necessary skilled workforce to carry on public works projects for years to come.

Your Committee has amended this bill by clarifying that:

- (1) For a bidder to receive a preference for a construction contract entered into under Hawaii's Procurement Law, the contractor must have a written agreement with an apprenticeship program registered with DLIR rather than simply being a party to an apprenticeship agreement;
- (2) The bidder or offeror must submit written proof of this written agreement with an apprenticeship program rather than written proof of being a party to an apprenticeship agreement; and
- (3) The bidder or offeror must certify monthly, in writing, that the bidder or offeror continues to have a written agreement with an apprenticeship program rather than simply being a party to an apprenticeship agreement; and
- (4) Penalties for non-compliance will be based on the bidder having a written agreement with an apprenticeship program rather than being a party to an apprenticeship agreement.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 19, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 19, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1207 Labor & Public Employment on S.B. No. 63**

The purpose of this bill is to protect the financial welfare of injured workers, while protecting employers from fraud, by:

- (1) Ensuring that injured employees receive temporary total disability (TTD) benefits regardless of whether the employer denies the employee's claim;
- (2) Requiring the Director of the Department of Labor and Industrial Relations (DLIR) to issue an order before TTD benefits can be terminated;
- (3) Stipulating that the Director of DLIR (Director) can only issue the order if:
  - (A) The employee's treating physician determines the employee is able to resume work;
  - (B) The employer has made a bona fide offer of suitable work within the employee's medical restrictions; and
  - (C) The Director has reviewed the case file and position papers submitted by the employee and employer;
- (4) Requiring employees and employers to submit position papers to the Director that will assist the Director in determining whether TTD benefits should have been discontinued;
- (5) Providing a reimbursement mechanism for employers in cases where the Director finds TTD benefits should have been discontinued and overpayments were made;
- (6) Increasing the amount of TTD benefits that are payable to an employee in cases where an employer delays TTD benefit payments; and
- (7) Requiring the Director to convene a working group to address and resolve any concerns raised through the enactment of these policies and procedures.

The ILWU Local 142, Hawaii Chapter-American Physical Therapy Association, and United Public Workers, Local 646, testified in support of this bill. The Hawaii Medical Association and Hawaii State Chiropractic Association supported the intent of this measure. The Department of Human Resources Development, DLIR, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Hawaii Insurers Council, National Federation of Independent Businesses in Hawaii, Property Casualty Insurers Association of America, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, American Insurance Association, Hawaiian Airlines, Maui Chamber of Commerce, Retail Merchants of Hawaii, General Contractors Association of Hawaii, Hawaii Developers' Council, Society for Human Resource Management Hawaii, Maui Economic Opportunity, Inc., Bay Realty, Inc., Integrated Broadband Network Solutions, Maui Family YMCA, The Hawaii Automobile Dealers Association, Meadow Gold Dairies, Hawaii, United Airlines, Akimeka, LLC, Halekulani Hotels & Resorts, Aston Shores at Waikoloa, Mokulua Contracting, LLC, Doubletree Alana Hotel-Waikiki, Hawaii USA Federal Credit Union, New Penny Cleaning Service LLC, Pacific Transfer LLC, R.M. Towill Corporation, Pacific LightNet, Pilot Freight Services, Consumer Services Analysis, Inc., and numerous concerned individuals testified in opposition to this bill.

The workers' compensation law was established as a "no-fault" law designed to be a "win-win" situation for all the parties involved -- with a worker giving up the right to file suit against an employer in exchange for receipt of proper medical treatment and disability benefits. However, on occasion this system has proven to be more adversarial in nature than was envisioned.

At times, TTD benefits have been denied or terminated even though a claimant is deserving of those benefits. This often results in a worker, and more often the worker's family, facing serious financial hardship. Moreover, the denial of, or delays in, the payment of TTD benefits may also have a negative impact on cost-effective medical treatments of the injured employee, further delaying the employee's recovery.

However, your Committee recognizes that there may be situations in which an employee receives TTD benefits to which the employee was not entitled. Although this measure allows the Director to render such decisions and further allows an employer to apply for a credit against future benefit payments, your Committee finds that it is more appropriate for the employee to reimburse the employer for this overpayment. Accordingly, your Committee has amended this bill by allowing the employer to request the Director to direct an employee to reimburse the employer for the amount of TTD benefits paid by an employer after the date on which TTD benefits should have been discontinued.

This measure was also amended by:

- (1) Changing its effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 63, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 63, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

**SCRep. 1208 Labor & Public Employment on S.B. No. 642**

The purpose of this bill is to provide fairness in health and retirement benefits for excluded employees in the excluded managerial compensation plan by requiring:

- (1) Adjustments for excluded civil service employees to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded; and
- (2) Adjustments for excluded employees in the excluded managerial compensation plan to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded.

The Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO testified in support of this bill. The Judiciary did not support this measure. The Department of Human Resources of the County of Hawaii provided comments and amendments to this bill.

Your Committee understands that concerns have been raised regarding the broad interpretation of current statutory language regarding collective bargaining that may be interpreted in such a way that, in essence, a union would become a de-facto negotiating body for excluded employees. This measure addresses this issue and ensures fairness for public employees excluded from collective bargaining.

However, concerns continued to be raised about the references to changes in health or retirement benefits contained in this measure since these items are not subject to negotiations under current law. As such, your Committee has amended this measure by:

- (1) Clarifying that the required adjustments for excluded civil service employees and excluded employees in the excluded managerial compensation plan apply to wage increases or reductions, step movements, and employer contributions for health benefits as provided for under the collective bargaining agreements under which these employees are excluded;
- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee also notes that according to the Judiciary, after having discussions with the union representative testifying in support of this measure regarding the proposed amendments, the Judiciary withdrew its opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 642, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 642, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1209 Labor & Public Employment on S.B. No. 1125**

The purpose of this bill is to ensure fairness in awarding public contracts and improve the public procurement process while working to improve Hawaii's economy by:

- (1) Requiring a contractor or subcontractor to:
  - (A) Classify all workers as employees;
  - (B) Comply with Hawaii's labor laws, including prevailing wage laws;
  - (C) Commit to hiring Hawaii residents to compose not less than 80 percent of the workforce on the project, with certain exceptions;
  - (D) Provide a fair and neutral process for resolving work-related issues to its employees; and
  - (E) Be appropriately licensed;
- (2) Establishing requirements for compliance duration;
- (4) Establishing penalties for non-compliance; and
- (5) Providing a preference for offerors on a construction contract entered into under Hawaii's Procurement Law if the contractor is a party to a construction contract that is registered with the Department of Labor and Industrial Relations (DLIR) at the time of general bidding.

The International Brotherhood of Electrical Workers Local Union 1186; Laborers' Union Local 368; ILWU Local 142; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Ports Maritime Council; and United Public Workers, Local 646, testified in support of this bill. The Department of Accounting and General Services, General Contractors Association of Hawaii, Building Industry Association of Hawaii, and Associated Builders and Contractors of Hawaii testified in opposition to this measure.

The economic downturn currently being faced across the nation, including in Hawaii, has resulted in both state and federal governments looking to public works projects as a near term means of stimulating the economy. Hawaii is expected to receive its fair share of economic revitalization monies from the federal government for various construction projects and the state is already looking at fast-tracking a number of construction projects to jump-start the economy. With the expected increase in construction bid projects, contractors with no history of working in Hawaii may seek to bid for these projects. Some of these contractors may be unscrupulous and may have less than stellar records with regard to compliance with labor laws. These businesses should receive greater scrutiny from the State before being awarded public works contracts.

In addition, the increased number of public works projects expected to be initiated in the near future will require increasing numbers of individuals skilled in various construction trades. As many of these individuals gain their best knowledge of a particular trade through apprenticeship programs, providing incentives for contractors to offer and maintain these programs will work towards developing the necessary skilled workforce to carry on public works projects for years to come.

Your Committee has amended this bill by:

- (1) Specifying that contractors or subcontractors that satisfy the requirement to commit to hiring Hawaii residents to comprise not less than 80 percent of the workforce on the project shall be entitled to a five percent adjustment in their bid amount;
- (2) Clarifying that in order for an offeror to receive a preference for a construction contract entered into under Hawaii's Procurement Law, the contractor must have a written agreement with an apprenticeship program registered with DLIR at the time of general bidding rather than simply being a party to an apprenticeship agreement; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1125, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Saiki and Pine.

#### **SCRep. 1210 Labor & Public Employment on S.B. No. 1181**

The purpose of this bill is to obtain better information and ensure payment of fringe benefits on public works projects by requiring that:

- (1) A certified copy of a fringe benefit reporting form supplied by the Department of Labor and Industrial Relations (DLIR) be submitted weekly to a governmental contracting agency for review; and
- (2) Fringe benefit reporting forms contain an itemized list of fringe benefit costs paid for each employee by the general contractor or subcontractor.

The Hawaii Operating Engineers Industry Stabilization Fund, Laborers' International Union of North America Local 368, General Contractors Association of Hawaii, Hawaii Carpenters Union, and a concerned individual testified in support of this bill. DLIR did not support this measure.

Currently, proving that fringe benefit wages were not paid is difficult for an employee as there is no itemized listing of payments of fringe wages on payroll records. By requiring the itemization of these payments, compliance with rules regarding the payment of fringe benefits will be ensured.

Your Committee has amended this bill by:

- (1) Stipulating that the fringe benefit reporting form may be provided by, or approved for use by, DLIR rather than requiring DLIR to supply the form;



- (2) Changing its effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1181, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1181, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1211 Labor & Public Employment on S.B. No. 1664**

The purpose of this bill is to provide an alternative to the layoff or termination of employees that would be mutually beneficial to both employers and employees by:

- (1) Temporarily codifying a partial unemployment program currently implemented through rules established by the Department of Labor and Industrial Relations (DLIR) that allows employers to retain full-time employees through reducing their work hours but also allows these employees to collect unemployment benefits and maintain certain benefits for up to four weeks of partial unemployment; and
- (2) Extending the duration of an employee's eligibility for unemployment benefits under the partial unemployment program from four to eight weeks.

The Hawaii Government Employees Association and Hawaii State AFL-CIO testified in support of this bill. DLIR provided comments on this measure.

Hawaii, as well as the rest of the nation, is currently facing the direst economic situation since World War II. As such, many employers are facing the difficult choice of laying-off or terminating employees simply to keep their businesses in operation. Not only is this course of action detrimental to the financial stability of employees who are laid-off or terminated, but also has a significant impact on the State's economy as a whole.

Currently, DLIR implements a partial unemployment program through their rules that allows employers to retain full-time employees at reduced hours, while at the same time allowing these employees to collect unemployment benefits for up to four weeks. Your Committee finds that allowing an individual who is working part-time to be eligible for unemployment benefits will not only assist these individuals in meeting their financial needs until such time that full-time employment becomes available, but will also assist businesses in retaining employees at a lower cost. This win-win situation for employees and employers will also have a positive effect on the overall economic outlook for the State.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1664, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1664, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1212 Human Services on H.C.R. No. 94**

The purpose of this concurrent resolution is to request the auditor to conduct a management and financial audit of the Hawaii Public Housing Authority's maintenance contracts.

The Hawaii Public Housing Authority submitted testimony in opposition of this measure.

Your Committee finds that there are many longstanding problems in two of the Hawaii Public Housing Authority's public housing properties. Some of these problems include: disabled or missing fire alarms, corroded garbage chutes, pest infestations, elevators in a continual state of disrepair, and lack of compliance with the federal Americans with Disabilities Act. Although your Committee acknowledges that the Hawaii Public Housing Authority has embarked on a "turnaround plan" to address some of these maintenance problems at public housing facilities statewide, your committee believes that an audit is necessary to ensure improved ongoing maintenance of these facilities.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Bertram and Carroll.

**SCRep. 1213 Water, Land, & Ocean Resources on S.B. No. 580**

The purpose of this bill is to provide the Department of Land and Natural Resources (DLNR) with the tools necessary to enforce laws relating to conservation and resources, cave protection, historic preservation, and the Kaho'olawe Island Reserve, by:

- (1) Allowing violators of the Kaho'olawe Island Reserve law, Chapter 6K, Hawaii Revised Statutes (HRS), or rules adopted pursuant to that chapter to be subject to forfeiture; and
- (2) Requiring DLNR to participate in the forfeiture program under Chapter 712A, HRS, and adopt rules under that chapter, and under the Act to protect caves, historic preservation, and the Kaho'olawe Island Reserve.

DLNR, the Historic Hawaii Foundation, and the Department of the Prosecuting Attorney of the City and County of Honolulu supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2009; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 580, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1214 Water, Land, & Ocean Resources on S.B. No. 1088**

The purpose of this bill is to:

- (1) Amend the offense of obstructing access to public property to include visual and other impediments, and to include "no trespassing" signs and vegetation among the described physical impediments; and
- (2) Create a private right of action for a person to enforce a violation of the offense.

Kahea, Windward Ahupuaa Alliance, the Sierra Club, Hawaii Chapter, Beach Access Hawaii, Surfrider Foundation, and many individuals supported this bill. The Land Use Research Foundation of Hawaii, Hawaii Developers' Council, Building Industry Association of Hawaii, and The Chamber of Commerce of Hawaii opposed this measure. The Department of Land and Natural Resources (DLNR) offered comments.

Your Committee has amended this bill by:

- (1) Deleting the limitation that the prevailing party entitled to recover costs and attorneys' fees must be the party bringing the action;
- (2) Clarifying that the person or entity responsible for the alleged violation be given 30 days to remove the obstruction; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee notes that DLNR in its testimony defers to the Department of the Attorney General (AG). The absence of testimony from the AG causes your Committee concern. Your Committee further notes that access issues addressed by this bill apply to shoreline areas as well as beaches. In addition, your Committee respectfully requests that the Committee on Judiciary consider exempting governmental entities in the performance of routine maintenance from the offense of obstructing access to public property.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1215 Water, Land, & Ocean Resources on S.B. No. 1318**

The purpose of this bill is to reorganize the State's long-term planning and coastal zone management by:

- (1) Repealing Chapter 205A, Hawaii Revised Statutes (HRS), the coastal zone management law;
- (2) Abolishing the Office of Planning by repealing Chapter 225M, HRS; and
- (3) Transferring all rights, powers, functions, and duties of OP to the Department of Business, Economic Development, and Tourism (DBEDT).

The Office of Planning, Department of Land and Natural Resources, Department of Agriculture, Maui Tomorrow Foundation, Inc., Livable Hawaii Kai Hui, Hanalei-Haena Community Association, Sierra Club, Hawaii Chapter, Ocean Tourism Coalition, Structural Engineers Association of Hawaii, Surfrider Foundation, National States Geographic Information Council, the Representative of the 17<sup>th</sup> House District, and numerous concerned individuals opposed this measure.

Your Committee has amended this bill by removing its substance and replacing it with the substance of H.B. No. 593, H.D. 2, a bill that was reported out of your Committee earlier this session. As amended, this bill:

- (1) Allows DLNR to establish a interim coastal construction moratorium along Kailua Beach where appropriate for the long-term protection of the beach; and
- (2) Takes effect on July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1318, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1318, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1216 Public Safety/Transportation on S.B. No. 1059**

The purpose of this bill is to ensure greater protection from the dangers of illegal fireworks by establishing an Illegal Fireworks Task Force (Task Force) to develop improved methods to stop the importation of illegal fireworks and explosives.

The State Fire Council, Honolulu Fire Department, Maui Fire Department, Kauai Fire Department, Legislative Information Services of Hawaii, and several concerned individuals supported this bill. The American Lung Association supported the intent of this measure. The Hawaii Harbors Users Group submitted comments.

Your Committees have amended this bill by:

- (1) Including representatives from the Hawaii, Kauai, and Maui county police departments as members of the Task Force;
- (2) Providing for representation from the shipping and trucking industry on the Task Force;
- (3) Inserting provisions allowing counties to enact ordinances or adopt rules regulating fireworks that are more restrictive than state law regulating fireworks; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1059, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1059, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Rhoads, Takumi and Pine.

**SCRep. 1217 Public Safety on S.B. No. 1060**

The purpose of this bill is to ensure adequate funding for auditing and oversight expenses related to fireworks by increasing the permit fees associated with using and importing fireworks.

The State Fire Council, Honolulu Fire Department, Maui Fire and Public Safety Department, Kauai Fire Department, and several concerned individuals supported this bill. The American Lung Association in Hawaii supported the intent of this measure. Legislative Information Services of Hawaii opposed this bill.

Your Committee has amended this bill by directing that permit fees collected for purchasing and using fireworks be provided to the county fire departments to fund auditing and oversight expenses related to fireworks oversight.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1060, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Nakashima, Takumi and Pine.

**SCRep. 1218 Public Safety on S.B. No. 970**

The purpose of this bill is to permit the Department of Public Safety (PSD) to:

- (1) Open one or more accounts with financial institutions per inmate and maintain the accounts for approved expenses and purchases by the inmate during incarceration and upon release; and
- (2) Exempt the payment of interest on such accounts maintained by PSD.

PSD supported this bill. The Community Alliance on Prisons, and the Hepatitis Support Network of Hawaii, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 970, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 970, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1219 Public Safety on S.B. No. 969**

The purpose of this bill is to ensure the security of the State's correctional and detention facilities by authorizing the conditional search of persons and vehicles entering the grounds of a state correctional or detention facility.

The Department of Public Safety supported this bill. The American Civil Liberties Union of Hawaii and Community Alliance on Prisons opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions requiring correctional facility staff to have probable cause prior to performing a strip search of a person who seeks to enter the facility;
- (2) Providing that a person may decline a search and be refused entry to the facility;
- (3) Making the crime of entering or remaining on the grounds of a state correctional or detention facility without permission a class C felony; and

- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 969, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakashima and Takumi.

**SCRep. 1220 Consumer Protection & Commerce on S.B. No. 1258**

The purpose of this measure is to encourage and to clarify the law with respect to the development of renewable energy in the State.

Specifically, this measure:

- (1) Restricts electrical energy savings from being counted toward the State's renewable energy portfolio standards, excluding customer-sited photovoltaic systems after January 1, 2015;
- (2) Includes ocean thermal energy conversion in the definition of renewable energy for purposes of Public Utility Commission rate and regulation authority;
- (3) Requires electric utility companies to establish renewable energy portfolio standards that have twenty-five per cent and forty per cent of their net electricity sales attributable to renewable energy by December 31, 2020, and December 31, 2030, respectively;
- (4) Requires the fifty per cent renewable portfolio standard for renewable electrical energy to be met by December 31, 2014, and the one hundred per cent standard by January 1, 2015;
- (5) Requires the Public Utilities Commission to evaluate, and allows the Commission to revise renewable energy portfolio standards every five years beginning in 2013;
- (6) Amends the definition of eligible customer-generator to include customers who also lease or purchase renewable energy for net energy metering;
- (7) Prohibits electric utilities from unreasonably burdening, denying, or delaying an eligible customer-generator's request to participate in net energy metering;
- (8) Allows the Public Utilities Commission to increase the cap on net energy metering in a service area only by rule or order;
- (9) Allows eligible customer-generators with existing contracts for net energy metering the option of maintaining their present contracts instead of converting to new alternative credits or compensation mechanisms offered by the Public Utilities Commission;
- (10) Expands the duties of the Energy Resources Coordinator, including requiring the Coordinator to develop requirements to identify geographic areas with potential for the cost-effective development of renewable energy generation;
- (11) Amends the definition of qualified businesses in state enterprise zones by including businesses engaged in the development and production of renewable energy;
- (12) Clarifies the scope of the Renewable Energy Facilitator's permitting duties;
- (13) Amends the definition of renewable energy facility by establishing a minimum production capacity of five megawatts of electricity and including a biofuel facility with the capacity to produce one million gallons of fuel annually;
- (14) Requires a permitting agency of renewable energy facilities to report to the energy resources coordinator on actions taken if a permit is not approved within twelve months, after the Coordinator has provided thirty days notice to the agency of the permit plan application requirements; and
- (15) Allows a permit of a renewable energy facility to be deemed granted if the permitting agency of a renewable energy facility does not undertake and report any further processing action beyond the twelve-month period.

The Department of Business, Economic Development, and Tourism; Hawaiian Electric Company, Inc.; SunEdison; Dowling Company, Inc.; and SunPower supported this measure. The Hawaii Renewable Energy Alliance supported the intent of this measure. The Department of Taxation deferred to the Department of Business, Economic Development, and Tourism, and the Public Utilities Commission took no position. The Honolulu Seawater Air Conditioning, LLC expressed concerns about the measure.

Your Committee finds that this measure establishes comprehensive provisions to promote the increased use and development of renewable energy sources to benefit the State's overall economy, environment, energy security, and energy sustainability. Your Committee also finds that this bill would help the State transition to a clean renewable energy economy by bolstering the existing net energy metering program and clarifying the importance of renewable energy within the context of the State's energy production goals.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

**SCRep. 1221 Consumer Protection & Commerce on S.B. No. 1680**

The purpose of this bill is to establish a broadband communications infrastructure in Hawaii. Specifically, this measure:

- (1) Creates the office of the Hawaii Broadband Commissioner to regulate cable and telecommunications providers;

- (2) Transfers the regulatory authority of the Cable Television Division of the Department of Commerce and Consumer Affairs and the Public Utilities Commission, with respect to cable and telecommunications providers, respectively, to the Hawaii Broadband Commissioner;
- (3) Requires the Commissioner to investigate, promote, and ensure the growth and development of broadband infrastructure within the State;
- (4) Provides the Commissioner with general supervisory authority over Public, Education, and Government access organizations;
- (5) Authorizes the Commissioner to apply for and receive federal moneys under the American Recovery and Reinvestment Act of 2009 and other applicable federal laws for the purpose of developing broadband infrastructure and services;
- (6) Requires the Commissioner to establish a work group to develop procedures to streamline and expedite permitting of broadband services and report to the Legislature;
- (7) Requires the Legislative Reference Bureau to review existing State laws relating to broadband technology, telecommunications, and related subjects, and recommend amendments that facilitate implementation of the new broadband laws;
- (8) Transfers four existing positions from the Cable Television Division of the Department of Commerce and Consumer Affairs and ten existing positions from the Public Utilities Commission to the Hawaii Broadband Commissioner;
- (9) Appropriates an unspecified amount from the federal funds subaccount of the Hawaii Broadband Commissioner special fund for broadband infrastructure projects; and
- (10) Has an effective date of July 1, 2112.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, High Technology Development Corporation, and Akaku: Maui Public Television. Testimony in opposition to this measure was submitted by Oceanic Time Warner Cable and TW Telecom. Comments on this measure were submitted by the Public Utilities Commission, Department of Commerce and Consumer Affairs, State Procurement Office, Hawaii Broadband Task Force, Olelo Community Television, Hawaiian Telcom, AT&T, Verizon Communications, Community Media Producers Association, and three concerned individuals.

Your Committee finds that the growth of affordable widespread broadband technology in Hawaii is crucial to the economic development of the State and the welfare of Hawaii's residents. Your Committee further finds that the consolidation of regulatory authority over communications in the Hawaii Broadband Commissioner will be an effective method of developing a unified approach to expanding modern communication technology in the State. Your Committee further believes that this focus on modernizing the communications infrastructure in Hawaii for widespread broadband capabilities will allow the State to maximize its use of federal moneys that have been dedicated to this purpose.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

**SCRep. 1222 Health on S.B. No. 933**

The purpose of this bill is to ensure access to dental care in the state by clarifying that the Board of Dental Examiners (BDE) may issue a:

- (1) Community service license to practice dentistry while a dentist is in the employment of the Department of Health (DOH); and
- (2) Temporary license to practice dentistry while a dentist is contracted by DOH to conduct dental education and training.

DOH supported this bill. BDE supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 933, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1223 Economic Revitalization, Business, & Military Affairs on S.B. No. 571**

The purpose of this bill is to honor and remember the service and sacrifices of our veterans by directing the Department of Accounting and General Services (DAGS) and Department of Defense (DOD) to develop a plan to create a memorial to the veterans of the Persian Gulf War and Operation Desert Storm, to be located within the Capitol District.

The Office of Veterans' Services (OVS) supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Removing the requirement that the site of the memorial be within the Capitol District;
- (2) Adding OVS to the agencies that are to jointly develop a plan for the memorial; and

- (3) Changing the date on which DAGS, DOD, and OVS are to submit a report of their findings and recommendations to the Legislature, from January 1, 2011, to January 1, 2012.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 571, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Tokioka and Wakai.

**SCRep. 1224 Economic Revitalization, Business, & Military Affairs on S.B. No. 705**

The purpose of this bill is to prepare the State to promptly use federal stimulus funds to benefit Hawaii's economy by establishing, until July 1, 2011:

- (1) An exemption from the bid, request for proposals, and professional services procedures of the Hawaii State Procurement Code, for a General Services Administration-approved sole source vendor in any procurement funded by state and federal matching funds where the vendor was responsible for obtaining the federal funding; and
- (2) That procurements of \$100,000 or less for goods and services, and construction contracts of less than \$250,000 secured by a performance bond, are to be treated as small purchases under section 103D-305, Hawaii Revised Statutes.

The State Procurement Office and Military Officers Association of America commented on this bill.

Upon consideration, your Committee has amended this bill by removing its substance and replacing it with that of H.B. No. 1470, H.D. 1, a measure that was reported out of your Committee earlier in this session.

As amended, this bill:

- (1) Exempts from the procurement code, contracts to procure goods, services, or construction from a source approved as the sole source by the federal government under a grant from the federal government in any procurement funded by state and federal matching funds or by federal funds alone; and
- (2) Is effective on July 1, 2020.

Technical, nonsubstantive amendments were also made for clarity and style.

Your Committee also respectfully requests the Committee on Finance, to which this bill is next referred, to work with the State Procurement Office on their suggested amendments.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 705, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 705, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Tokioka and Wakai.

**SCRep. 1225 Economic Revitalization, Business, & Military Affairs on S.B. No. 764**

The purpose of this bill is to help small businesses leasing commercial space in Hawaii survive the economic downturn by requiring:

- (1) That leases existing on July 1, 2009, or entered into thereafter, and providing for the renegotiation of rent based upon fair and reasonable annual rent as of the commencement of the term:
  - (A) Be construed to require that the rent be fair and reasonable rent to both the lessor and the lessee; and
  - (B) Take into account use and intensity of use approved by the lessor, and neighborhood context;

And
- (2) That a lessee's subtenants who have subleases providing for recovery by the lessee of ground lease rent, be charged their pro-rata share of the renegotiated fair and reasonable annual rent.

Citizens for Fair Valuation; Olelo Community Television; Servco Pacific, Inc.; Ben Franklin Crafts – Mapunapuna; American Electric; Bacon Universal Company, Inc.; McKillican American, Inc.; Sawdust; Oahu Metal & Supply, Ltd.; Grace Pacific Corporation; Intech, Inc.; and several concerned individuals supported this bill. The Hawaii Association of Realtors, Building Industry Association – Hawaii, HRPT Properties Trust, Queen's Health Systems, Kamehameha Schools, Land Use Research Foundation of Hawaii, and several concerned individuals opposed this measure. A concerned individual provided comments.

Given the complex nature of real property lease negotiations and their concomitant impact on Hawaii's economy, your Committee respectfully requests the Committee on Judiciary, to which this bill is referred, take a fresh look at the standards for "fair and reasonable" as used in this bill, as well as examine the constitutional contract clause issues that it raises.

Upon further consideration, your Committee has amended this bill by replacing its substance with that of H.B. No. 1593, which was reported out of your Committee earlier this session. As amended, this bill differs from the Senate Draft 2, in that the bill:

- (1) Does not specify that the lessor of the real property to which this bill applies must hold an "aggregate" of 50,000 square feet or more of industrial and commercial property; and
- (2) Takes effect upon its approval.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 764, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Berg.

**SCRep. 1226 Economic Revitalization, Business, & Military Affairs on S.B. No. 1195**

The purpose of this bill is to enhance the ability of the State to plan and make decisions supporting the growth of science and technology industries in the state by:

- (1) Amending the reporting requirement under the Research and Statistics for Growth Industries Program, by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually report to the Legislature on the criteria used to measure the growth of Hawaii's emerging growth industries, instead of reporting on the impact of DBEDT's efforts on those industries; and
- (2) Amending the economic objectives and policies of the Hawaii State Planning Act to require planning to be directed toward developing and expanding businesses and activities in science, technology, and related emerging growth industries.

The University of Hawaii and the Hawaii Science & Technology Council supported this bill. The Office of Planning (OP) supported the intent of this measure and offered comments. DBEDT provided comments on this bill.

Your Committee has amended this bill as suggested by the OP by restoring language deleted from various economic policies and objectives of the Hawaii State Planning Act. At the same time, your Committee has retained the new language emphasizing the State's science and technology industry policies and objectives.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1195, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1195, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Berg, Tokioka and Wakai.

**SCRep. 1227 Consumer Protection & Commerce on S.B. No. 1140**

The purpose of this bill is to require health plans other than government payors and limited benefit health insurance policy insurers to reimburse critical access hospitals and federally qualified health centers at rates consistent with medicare and medicaid reimbursement rates.

Specifically, this bill requires mutual and fraternal benefit societies, health maintenance organizations, and health plans other than government payors to pay:

- (1) Critical access hospitals no less than one hundred and one per cent of cost for services consistent with the medicare reimbursement rate; and
- (2) Federally qualified health centers no less than their respective prospective payment system rates.

The bill also:

- (1) Exempts accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, or other limited benefit health insurance policies;
- (2) Defines the term "government payor"; and
- (3) Allows the Insurance Commissioner to:
  - (A) Adopt rules;
  - (B) Require health insurers to annually demonstrate compliance; and
  - (C) Require critical access hospitals and federally qualified health centers to provide information provided that any release of information is subject to the Health Insurance Portability and Accountability Act of 1996.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, and Hawaii Primary Care Association. The Hawaii Association of Health Plans submitted testimony in opposition. The Hawaii Medical Service Association offered comments.

Your Committee finds that there needs to be parity in payment of reimbursement rates for critical access hospitals and federally qualified health centers by all health insurers in the State, including government payors. In addition, to further the goal of achieving parity in reimbursement rates, your Committee also finds that no exemptions should be extended to accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, or other limited benefit health insurance policies.

Accordingly, your Committee has amended this bill by:

- (1) Removing language that excludes government payors throughout the bill, including the definition of "government payor";
- (2) Removing language that exempts accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, or other limited benefit health insurance policies;

- (3) Changing the one hundred and one per cent reimbursement rate paid to critical access hospitals to an unspecified percentage for the purpose of facilitating further discussion; and
- (4) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1140, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

**SCRep. 1228 Consumer Protection & Commerce/Judiciary on S.B. No. 967**

The purpose of this measure is to amend Hawaii's controlled substance laws to make them consistent with federal law.

More specifically, this measure:

- (1) Adds new drugs to Hawaii's controlled substance laws to conform to changes made in the federal law;
- (2) Includes consideration of a registrant's surrender of a federal controlled substance registration in determining whether the registrant's state registration should be suspended or revoked;
- (3) Authorizes and establishes procedures for pharmacies that electronically share a real-time, online database to transfer controlled substance prescriptions between their pharmacies;
- (4) Specifies what information practitioners and pharmacists who dispense controlled substances are required to record in their log books; and
- (5) Authorizes administrative inspections of the premises and records, other than financial data, for establishments such as pharmacies that are authorized to dispense controlled substances.

The Department of Public Safety, the Police Department of the City and County of Honolulu, CVS Caremark Longs Drugs, and Kaiser Permanente testified in support of the measure. Walgreens Co. testified in support of the intent of the measure.

Your Committee has amended this measure by:

- (1) Requiring that pharmacists and practitioners who dispense controlled substances directly to an individual document the identification of an unknown individual in either a written log book or an electronic database and permitting acceptance of either a written signature or a signature recorded by an electronic capture device; and
- (2) Providing that the initial registration information in a mail order prescription drug plan will satisfy identification requirements for the purpose of dispensing controlled substances pursuant to valid mail order prescriptions.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 967, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 967, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 1229 Consumer Protection & Commerce on S.B. No. 585**

The purpose of this bill is to ensure access to prescription medications in rural and underserved areas of the state by allowing remote dispensing pharmacies (RDP) located on islands without pharmacies, in health maintenance organization facilities, or in areas at least five miles from another pharmacy to:

- (1) Provide medications to patients with any health insurance coverage;
- (2) Dispense controlled substances; and
- (3) Continue operating in the same location if a pharmacy is subsequently established on the same island or within five miles of the RDP.

The Department of Public Safety, Board of Pharmacy, Hawaii Medical Service Association, Straub Lanai Family Health Center, Kaiser Permanente Hawaii, Lanai Women's Center, and Hawaii Alliance for Retired Americans supported this bill. Walgreens Co. supported the intent of this measure. Several concerned pharmacy owners submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

**SCRep. 1230 Consumer Protection & Commerce on S.B. No. 1671**

The purpose of this bill is to prohibit the construction or operation of a new facility that produces electrical energy solely from the combustion of any type of fossil fuel, to allow for the transition into locally available renewable feedstocks to advance the goals and objectives of the Hawaii Clean Energy Initiative, thereby reducing Hawaii's dependence on fossil fuels and protecting the environment.



The Public Utilities Commission, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Maui Electric Company, Kauai Island Utility Cooperative, and Sierra Club-Hawaii Chapter, supported this bill. The Department of Business, Economic Development, and Tourism and Blue Planet Foundation offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2090, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1671, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1671, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.  
(Representative Thielen voted no.)

**SCRep. 1231 Consumer Protection & Commerce/Judiciary on S.B. No. 1142**

The purpose of this bill is to improve patient access to medical care by:

- (1) Clarifying the procedures and circumstances under which licensed physician assistants (PAs) may provide services; and
- (2) Limiting the liability of PAs rendering emergency care services pursuant to the Good Samaritan laws.

The Hawaii Primary Care Association, American Academy of Physician Assistants, Hawaii Academy of Physician Assistants, Occupational Therapy Association of Hawaii, Puna Community Medical Center, and numerous concerned individuals supported this bill. The Hawaii Medical Board supported the intent of this measure. The Department of Human Services and the Disability and Communication Access Board submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1142, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 1232 Consumer Protection & Commerce/Judiciary on S.B. No. 605**

The purpose of this bill is to more effectively regulate noise pollution by:

- (1) Requiring the Department of Health (DOH) to add the dBC decibel weighting system to the current dBA decibel weighting system;
- (2) Setting the permissible maximum nighttime sound level at 50 or 60 decibels depending upon zoning, and delegating authority to DOH and county liquor commissions to enforce these limits; and
- (3) Directs DOH, the Department of Labor and Industrial Relations, and county liquor commissions to develop recommendations for a permanent maximum sound level measured in decibels for licensed liquor establishments.

The Department of Public Safety, Downtown Neighborhood Bard No. 13, Chinatown Gateway Plaza Tenant Association, and several concerned individuals supported this bill. DOH opposed this measure. The Hawaii Farm Bureau Federation and Mililani Town Association provided comments.

Your Committees have amended this bill by:

- (1) Specifying that if the complainant's site is within a mixed-use or residentially zoned area, the maximum permissible nighttime sound shall be 50 decibels; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 605, S.D. 1, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 605, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 1233 Consumer Protection & Commerce/Judiciary on S.B. No. 470**

The purpose of this bill is to improve certain statutory provisions relating to liquor industry licensing, practices, and adjudication processes. Among other things, this bill:

- (1) Allows liquor license issuances and renewals for applicants complying with an installment plan agreement for the payment of delinquent taxes;
- (2) Allows a certain amount of the fines collected from licensees each year to be used for public liquor-related educational or enforcement programs;
- (3) Amends the statute on liquor license transfers to more accurately reflect modern business enterprise organizations; and
- (4) Extends the time frame for liquor commissions to grant or refuse a liquor license application following a public hearing.

The City and County of Honolulu Liquor Commission and the Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui testified in support of this bill. The Department of Taxation opposed this measure. The Retail Liquor Dealers Association of Hawaii provided comments.

Your Committees note that this bill implements the findings of a comprehensive review of the intoxicating liquor law under Chapter 281, Hawaii Revised Statutes, and continues earlier efforts under Act 168, Session Laws of Hawaii 2008, to clarify, update, and otherwise improve this law. The review was conducted by the four county liquor control departments, including their commissions and adjudication boards, in collaboration with industry representatives.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 470 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, McKelvey, Morita and Souki.

**SCRep. 1234 Consumer Protection & Commerce/Judiciary on S.B. No. 887**

The purpose of this bill is to update the Escrow Depositories Law, Chapter 449, Hawaii Revised Statutes, to:

- (1) Clarify the types of escrow transactions covered by the law;
- (2) Update the law to address the significantly larger transactions routinely handled by the industry today;
- (3) Provide more flexibility in supervising and regulating the industry; and
- (4) Enhance consumer protections in escrow transactions.

The Department of Commerce and Consumer Affairs provided comments on this bill.

Your Committees find that the Escrow Depositories Law is outdated and this bill provides some necessary statutory amendments to reflect developments in the industry occurring over the decades of this law's existence. For example, the current minimum net capital requirement of \$50,000 for an escrow depository has not been changed since its enactment in 1973 and hence may no longer be a sufficient minimum level of capitalization given the increased size and number of escrow transactions that are routinely handled today. However, this bill also raises a wide range of issues and new requirements, some of which are objectionable to the industry. Accordingly, your Committees have amended this bill by changing the effective date to January 1, 2090, to facilitate further discussion.

Technical, nonsubstantive amendments were also made for purposes of drafting style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 887, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 887, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, McKelvey, Morita and Souki.

**SCRep. 1235 Consumer Protection & Commerce/Judiciary on S.B. No. 892**

The purpose of this measure is to update the Insurance Code by making various housekeeping or technical changes, including updating statutory cross references and continuing education requirements.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the American Council of Life Insurers, the Hawaii Captive Insurance Council, and the Hawaii Independent Insurance Agents Association. Comments on the measure were received from the Hawaii Medical Service Association and the National Association of Insurance and Financial Advisors.

Your Committees find that this measure will conform the Insurance Code with best practices standards with respect to regulating the insurance industry.

Your Committees have amended this measure by:

- (1) Deleting the amendment that allowed audits to be prepared pursuant to rules adopted by the Insurance Commissioner, as an alternative the current requirement to follow the National Association of Insurance Commissioners' accounting practices and procedures;
- (2) Requiring the Insurance Commissioner to provide notice of new continuing education requirements to the appropriate parties;
- (3) Incorporating the contents of H.B. No. 1072, H.D. 1, into the measure which authorizes the Department of Commerce and Consumer Affairs to conduct criminal history record checks on licensees and applicants for licensure under title 24 of the Hawaii Revised Statutes; and
- (4) Requiring insurance license applicants to provide a set of fingerprints for the Insurance Commissioner to obtain and receive national and state criminal history record checks.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 892, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 1236 Labor & Public Employment on S.B. No. 614**

The purpose of this bill is to assist military families in addressing their employment needs when a family member is deployed on military duty by expanding the provisions of family leave to include addressing family care, legal, and financial issues directly related to or resulting from the impending military deployment or active military deployment of the employee's child, spouse, reciprocal beneficiary, or parent.

The Department of Labor and Industrial Relations, Department of Defense, and Chamber of Commerce of Hawaii supported the intent of this bill. The Department of Human Resources Development opposed this measure.

Many Hawaii families have been faced with a family member being deployed overseas to serve on active military duty, especially to serve in the ongoing war on terrorism. During these difficult times, it is important that members of the armed services and their families receive strong familial support to deal with the resultant extreme stresses of an active deployment. The family leave relief provided by this measure will assist family members in facing these burdens.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 614, H.D. 2.

Signed by all members of the Committee except Representatives M. Lee, Souki and Yamashita.

**SCRep. 1237 Labor & Public Employment on S.B. No. 896**

The purpose of this bill is to allow the Department of Defense (DOD) to comply with federal wage constraints by exempting positions in the Hawaii National Guard's adult education programs from civil service requirements.

DOD supported this bill.

DOD must abide by wage constraints imposed by the federal government's Master Cooperative Agreement (MCA) and, in turn, effectively manage its resources to comply with these wage constraints. MCA provisions often call for personnel salaries that are based on the federal government's General Schedule (GS), which are often higher than state civil service salary ranges. These salary limitations established under the state civil service system and required for state civil service employees may at times be in direct conflict with the GS. Thus, it is necessary to allow DOD to hire personnel that are exempt from state civil service requirements so that DOD is able to meet the requirements of the MCA.

Your Committee has amended this bill by changing its effective date from July 1, 2112, to upon its approval.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 896, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives M. Lee, Souki and Yamashita.

**SCRep. 1238 Labor & Public Employment on S.B. No. 1205**

The purpose of this bill is to assist unemployed and underemployed persons in maintaining their health insurance coverage by establishing a Temporary Health Insurance for Unemployed and Underemployed Persons Program (Program) within the Department of Human Services (DHS) to provide temporary health care coverage for persons who have lost health insurance coverage due to lost employment or a reduction in hours.

DHS testified in opposition to this bill.

Hawaii, along with the rest of the nation, is currently facing a declining economy, with some of the worst economic conditions being experienced since World War II. This economic downturn has resulted in significant numbers of employees facing furloughs, layoffs, reduced work hours, and terminations. Certain economic factors, including unemployment, are experiencing numbers that have not been seen in decades. With unemployment rates and reduced working hours only expected to increase in the near future, an additional concern for many individuals is the loss of health insurance benefits. This concern is not only for the employee themselves but also for family members who are covered by an employee's insurance policy, especially those who may need medical attention. The increased numbers of medically uninsured individuals could also have a significant negative impact on our overall economy. By establishing the Program to assist these individuals in maintaining health care insurance, not only is the burden for employees lessened but the impacts on our overall economic health are decreased as well.

Although no testimony was received in support of this measure, your Committee feels that the importance of this matter warrants further discussion and consideration.

Your Committee has amended this bill by changing its effective date from July 1, 2090, to upon its approval.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1205, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1205, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives M. Lee, Souki and Yamashita.

**SCRep. 1239 Labor & Public Employment on S.B. No. 876**

The purpose of this bill is to clarify various provisions relating to the Employees' Retirement System (ERS) including, among other things, clarifying that:

- (1) Ordinary disability retirement is effective on the first day of the month, except for the month of December when retirement on the first or last day of the month shall be allowed, but no earlier than 30 days from the date the application was filed or the date the member terminated service, whichever is later;
- (2) If a noncontributory member terminates service prior to accumulating ten years of credited service and becomes a member again by December 31<sup>st</sup> of the year following the calendar year of the termination, all service credits previously forfeited would be restored;
- (3) The cap on the maximum retirement allowance imposed on certain members also apply to the retirant's benefits when they are reemployed; and
- (4) A challenge to an application for disability retirement or accidental death benefits is considered a petition for a contested case hearing and not an appeal of a medical board's decision.

This bill also allows:

- (1) Approved attorney's fees and costs to be paid to the member or survivor instead of being paid only on a reimbursable basis; and
- (2) ERS to stop collecting retirement contributions from certain re-employed retirants who have reached their maximum average final compensation ceiling.

The ERS Board of Trustees supported this bill.

The clarifications contained in this measure will conform existing ERS statutes to current practice and help to streamline the administration of the ERS, allowing the ERS to provide more accurate and efficient service to their members.

Your Committee has amended this bill by further amending ERS statutes to:

- (1) Allow ERS to use December 31, 2008, as the valuation date to determine the cost of converting a member's Noncontributory Plan Service to Hybrid Plan Service; and
- (2) Extend the conversion deadline for a member who is absent from the state due to military service during the Hybrid Conversion period by allowing up to 180 days after the member returns to work to pay for the conversion.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 876, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1240 Labor & Public Employment on S.B. No. 1621**

The purpose of this bill is to protect an employee's right to organize and allow both public and private sector employees easier access to union representation by, among other things:

- (1) Setting the procedures for establishing an initial agreement for collective bargaining following certification or recognition of a labor organization as a representative;
- (2) Clarifying that a duly certified labor organization that represents employees for the purpose of collective bargaining has a privilege to refuse to disclose and to prevent any other person from disclosing confidential information and communications made for the purpose of facilitating the rendition of union representational services to employees through the collective bargaining process;
- (3) Allowing a labor organization that provides representational services related to collective bargaining to bring a civil action in circuit court for nonpayment of union dues by members and agency fees by persons covered by a collective bargaining agreement;
- (4) Establishing that it is a complete defense to prosecution for trespass and offenses against public order, where a person or persons are engaged in a labor dispute to publicize the existence of the dispute on the pathways, sidewalks, and areas adjacent to the entry ways or exits used by customers or employees, or both, to gain access to the establishment gained in the dispute;
- (5) Allowing for the use of signed valid authorizations designating an individual or labor organization designated in the petition for representation, so that no election is to be directed by the Hawaii Labor Relations Board; and
- (6) Making it a violation for an employer to wilfully or repeatedly commit unfair or prohibited practices interfering with an employee's statutory rights or discriminating against an employee for exercising protected conduct.

The Hawaii Government Employees Association; the International Brotherhood of Electrical Workers; the Laborers' International Union of North America Local 368; the Hawaii Teamsters and Allied Workers, Local 996; the International Brotherhood of Electrical Workers, Local 1186; the Hawaii Building and Construction Trades Council, AFL-CIO; the Hawaii State AFL-CIO; the Screen Actors Guild Hawaii Branch; the ILWU Local 142; Pride At Work Hawaii; Ironworkers Stabilization Fund Local 625; the United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Carpenters Union; Hawaii Alliance for Retired Americans; United Filipino Council of Hawaii; Filipino Coalition for Solidarity; and Filipinos for Affirmative Action testified in support of this bill.

The Department of Labor and Industrial Relations; the Department of the Attorney General; the Department of Human Resources Development; the Department of Agriculture; the Small Business Regulatory Review Board; The Chamber of Commerce of Hawaii; the Kauai Chamber of Commerce; the Kona-Kohala Chamber of Commerce; the Hawaii Hotel & Lodging Association; Retail Merchants of Hawaii; the Hawaii Crop Improvement Association; the National Federation of Independent Business; Hawaii Farm Bureau Federation; the Society for Human Resource Management; the Hawaii Restaurant Association; the Hawaii Business Roundtable; the Hawaii Automobile Dealers Association; the American Public Works Association Hawaii Chapter; the Building Industry Association of Hawaii; the Healthcare Association of Hawaii; the Hawaii Credit Union League; the American Council of Engineering Companies of Hawaii; Grace Pacific Corporation; Monsanto Hawaii; the Associated Builders and Contractors Hawaii; Ocean Tourism Coalition; Star of

Honolulu Cruises and Events; Mauna Lani Resort; Wyndham Vacation Ownership; The Arc of Kona; Down to Earth ALL VEGETARIAN *Organic and Natural*; Gentry Homes, Ltd.; Aloun Farms, Inc.; ABC Stores; the Maui Chamber of Commerce; Hawaiian Airlines; Valluzzi-Poteet Building Co., LLC; VES INC.; Mokolua Contracting LLC; Frogman Charters; Lindemann Construction, Inc.; Kona Pacific View; AMV AIR CONDITIONING INC.; Wilson Homecare; The Peter Anderson Co.; Meadow Gold Dairies, Hawaii; New Penny Cleaning Service LLC; Best Publishing-Big Island; Deep Seawater International, Inc.; Kauai Coast Resort; Barnett Consulting Group; Pacific LightNet; Maunalani Nursing & Rehab Center; Kukio Golf & Beach Club; Ward Research; R.M. Towill Corporation; AT & AMP – T Mobility; Integration Technologies, Inc.; Doubletree Alana Hotel Waikiki; Four Seasons Resort Hualalai; Intergrated ComTel, Inc.; Steiner Hawaii Inc. dba Alsco; Gyotaku Japanese Restaurants; Sergio's LLC; Glenn Co. Hawaii Inc.; Wailana Coffee House; E & J Lounge Operating Co., Inc.; Tanaka of Tokyo Restaurants Ltd., Corporate Offices; Highway Inn Inc.; and numerous individuals testified in opposition to this measure.

American Income Life Insurance Company and a concerned individual commented on this bill.

Historically, the unionization of workers has resulted in increased wages, the lessening of race and gender pay gaps, decreased workplace discrimination, and increases in job safety standards. These changes not only affect unionized workers but have had a positive effect for all working people.

Although many employees have been allowed to legally exercise their right to organize, some employers still try to deny workers the freedom to form a union. This measure attempts to provide workers seeking to organize a more level playing field by streamlining the union certification process and enabling workers to form unions when a majority of the workers sign union authorization cards.

Your Committee has amended this bill by:

- (1) Removing language stipulating that that a duly certified labor organization that represents employees for the purpose of collective bargaining has a privilege to refuse to disclose and to prevent any other person from disclosing confidential information and communications made for the purpose of facilitating the rendition of union representational services to employees through the collective bargaining process;
- (2) Removing language that establishes that it is a complete defense to prosecution for trespass and offenses against public order, where a person or persons are engaged in a labor dispute to publicize the existence of the dispute on the pathways, sidewalks, and areas adjacent to the entry ways or exits used by customers or employees, or both, to gain access to the establishment gained in the dispute;
- (3) Providing a right for persons to take part in union organizing activities such as holding placards and passing out literature on the pathways, sidewalks, and areas adjacent to the entry ways or exits used by customers or employees, including on private property, but not within the premises of an establishment;
- (4) Clarifying that the immunity from civil liability provided to unions for participating in a labor dispute is limited to lawful participation;
- (5) Changing its effective date to July 1, 2010; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1621, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1621, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1241 Consumer Protection & Commerce on S.B. No. 1223**

The purpose of this bill is to protect consumers from false or misleading advertising and preserve the credibility of the "Made in Hawaii" label by:

- (1) Prohibiting the use of the phrase "Made in Hawaii" as an advertising or media tool for items unless the items meet specified criteria; and
- (2) Directing the Department of Agriculture (DOA) to convene a working group composed of interested stakeholders to:
  - (A) Identify labeling issues relating to the Hawaii-Made Products law; and
  - (B) Propose workable solutions including solutions for enforcement.

DOA, the Hawaii Food Industry Association, and Creations of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

**SCRep. 1242 Consumer Protection & Commerce on S.B. No. 1173**

The purpose of this bill is to help facilitate the transition of Hawaii's energy sector to non-petroleum sources by:

- (1) Requiring:
  - (A) The Public Utilities Commission (PUC) to establish energy-efficiency portfolio standards (standards) designed to achieve 4,300 gigawatt hours of statewide electricity-use reductions by 2030 with specified interim goals;
  - (B) PUC to develop incentives and penalties associated with the standards, and periodically evaluate and revise the standards as necessary;

- (C) Electric energy savings from renewable displacement or off-set technologies to count toward the standards while allowing electric utility companies and their affiliates to aggregate their efficiency portfolios to achieve the standard;
  - (D) Every state department that designs and constructs public buildings and facilities to benchmark every existing building that is either larger than 5,000 square feet or uses more than 8,000 kilowatt-hours of electricity or energy per year and use that benchmark to determine the State's investment in improving its building stock efficiency;
  - (E) That public buildings be retro-commissioned at least every five years according to guidelines established by the Energy Resources Coordinator (Coordinator);
  - (F) The Comptroller to issue guidelines governing energy savings performance contracts that state departments may enter into with a third party to cover the capital costs of energy-efficiency measures and distributed generation, and which the Comptroller will review, provided that the Comptroller may exempt specific projects for cost-effectiveness;
  - (G) Investments in energy efficiency for existing public buildings that undergo a major retrofit or renovation, provided that costs will be recouped within 20 years;
  - (H) Property energy consumption information to be disclosed in the sale or lease of real property according to guidelines developed by the Coordinator; and
  - (I) Providing a net-zero income tax credit for the first year a building becomes a qualifying net-zero building (i.e., produces more electricity than it consumes) in amounts ranging from \$3 to \$9 per square foot for qualifying buildings with at least 1,000 square feet, and with a cap of \$50,000 for any one building; and
- (2) Including the following in the Public Benefits Fee Administrator's (Administrator) duties and responsibilities:
- (A) Conducting energy-efficiency assessments to identify current energy use patterns and areas for potential energy savings;
  - (B) Establishing aggressive energy-efficiency plans;
  - (C) Establishing on-bill financing programs to encourage consumer purchase of energy-efficient electrical appliances, solar water heaters, and photovoltaic systems;
  - (D) Conducting building code analysis and review, and developing and implementing specified recommendations;
  - (E) Establishing educational programs on the economics of energy-efficient properties; and
  - (F) Processing solar water heater system installation variances.

The Department of Accounting and General Services supported this bill. The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Renewable Energy Alliance, and Blue Planet Foundation supported this measure with amendments. Honolulu Seawater Air Conditioning, LLC, supported the intent of this bill. The Hawaii Association of Realtors opposed this measure. PUC and the Tax Foundation of Hawaii provided comments.

Your Committee acknowledges concerns raised by the Hawaii Association of Realtors that the provisions in this bill requiring the disclosure of energy consumption information at the point of sale for real property will have a considerable impact on the real estate industry, including transaction delays and a possible increase in costs that would be passed on to consumers.

Your Committee notes that this measure presumes that the cost burden of obtaining the required information would be borne by the seller or lessor, and does not indicate who will provide such information. Additionally, "energy consumption information" is not specified.

Accordingly, your Committee has amended this bill by specifying that property owners and lessors shall provide utility bills for the most recent three-month period in which the property was occupied prior to sale or lease, and allowing an exemption if the property has no utility accounts associated with it; and

Your Committee has further amended this bill by:

- (1) Clarifying "cost-effective" in relation to the requirement that the Administrator establish aggressive energy-efficiency plans with efficiency as the first loaded resource where it is cost-effective; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1173, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Souki.

#### **SCRep. 1243      Tourism, Culture, & International Affairs on S.B. No. 382**

The purpose of this bill is to expand the membership of the Stadium Authority (Authority) from nine to eleven members and revise the appointment process of the Authority by:

- (1) Requiring three members to be appointed directly by the Governor;
- (2) Requiring three members to be appointed by the Governor from a list of nominees submitted by the President of the Senate; and
- (3) Requiring three members to be appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives.

The President of the University of Hawaii and Superintendent of Education remain ex officio nonvoting members of the Authority under this measure.

A concerned individual supported this bill. The Department of Accounting and General Services opposed this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 382, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Berg, McKelvey and Wakai.  
(Representative Marumoto voted no.)

**SCRep. 1244      Tourism, Culture, & International Affairs on S.B. No. 1226**

The purpose of this bill is to adjust the percentage of Transient Accommodations Tax revenues deposited into the Tourism Special Fund from 34.2 percent to an unspecified percentage.

The Hawaii Hotel and Lodging Association, Retail Merchants of Hawaii, Waikiki Beach Activities, Ltd., and Chamber of Commerce of Hawaii opposed this bill. The Hawaii Tourism Authority, Department of Taxation, Department of Business, Economic Development, and Tourism, Outrigger Hotels, Maui Hotel and Lodging Association, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1226, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1226, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, McKelvey and Wakai.

**SCRep. 1245      Tourism, Culture, & International Affairs on S.B. No. 1227**

The purpose of this bill is to abolish the Hawaii Tourism Authority (HTA) and establish the Department of Tourism. This bill also establishes a Working Group on Interagency Relations to provide for a comprehensive plan and transition to the newly established Department of Tourism.

The Mayor of the City and County of Honolulu supported this bill. HTA, the Department of Business, Economic Development, and Tourism, Hawaii Hotel and Lodging Association, Diamond Resort, Outrigger Hotels, Maui Hotel and Lodging Association, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2120, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1227, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1227, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, McKelvey and Wakai.

**SCRep. 1246      Tourism, Culture, & International Affairs on S.B. No. 264**

The purpose of this bill is to clarify the duties of the Hawaii Tourism Authority (HTA) regarding the development of measures of effectiveness in assessing its marketing plan.

HTA and the Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Transferring responsibilities related to tourism research and statistics from DBEDT to HTA;
- (2) Removing the four ex officio nonvoting members from the HTA Board and placing them in an advisory group to HTA;
- (3) Expanding the scope of a tourism emergency to include a national or global economic crisis; and
- (4) Earmarking an unspecified percentage of the moneys allocated to the Tourism Special Fund from the Transient Accommodations Tax to be used for tourism product development and cultural programs.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 264, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, McKelvey and Wakai.

**SCRep. 1247 Education on S.B. No. 1329**

The purpose of this bill is to ensure continued support for the work of the Early Learning Council (ELC) toward developing the State's early learning system, by:

- (1) Authorizing all ELC members to designate representatives for their role on the ELC;
- (2) Renaming the Keiki First Steps Trust Fund as the Early Learning Trust Fund (Fund); and
- (3) Specifying that unexpended moneys in the Fund shall not lapse to the credit of the general fund and shall remain in the Fund at the end of each fiscal year.

The Department of Education, Hawaii Association for the Education of Young Children, Good Beginnings Alliance, Hawaii Association of Independent Schools, Institute for Native Pacific Education and Culture, and Kamehameha Schools supported this bill. The ELC supported this measure with amendments. The Department of Budget and Finance opposed this bill. The Department of Human Services offered comments.

Your Committee has amended this bill by:

- (1) Adding to the ELC a representative from a Head Start provider agency or the representative's designee;
- (2) Requiring the ELC, in its development of the early learning system, to develop a plan to ensure that the needs of junior kindergarteners are addressed, including:
  - (A) Recommending an appropriate and effective curriculum;
  - (B) Establishing criteria for junior kindergarten teachers and aides;
  - (C) Incorporating Hawaii's preschool content standards for junior kindergarteners; and
  - (D) Recommending an effective transition from the early learning system to kindergarten that results in the phasing out of junior kindergarten;
- (3) Deleting the specification that unexpended moneys in the Fund shall not lapse to the credit of the general fund and shall remain in the Fund at the end of each fiscal year, and instead requiring that any fiscal year 2008-2009 general fund appropriations for Comprehensive Student Support Services (Education 150) designated for the early learning system that are unexpended or unencumbered at the end of the fiscal year, lapse into the Fund on June 30, 2009;
- (4) Changing its effective date to upon its approval; provided that sections 3 and 4 shall take effect on June 29, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang, Nakashima, Saiki and Shimabukuro.

**SCRep. 1248 Higher Education/Labor & Public Employment on S.B. No. 1665**

The purpose of this bill is to enhance the training capacity of the State's community colleges so that they can meet the rapidly evolving needs of employers and employees, by establishing and appropriating federal Reed Act funds for the establishment and start up of a skilled worker and business development center within the University of Hawaii (UH) community college system.

The Department of Education supported this bill. The UH Community Colleges supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1665, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki, Shimabukuro, Ching and Finnegan.

**SCRep. 1249 Consumer Protection & Commerce/Judiciary on S.B. No. 1263**

This purpose of this measure is to amend the statutory provisions that regulate the tattoo industry.

More specifically, this measure:

- (1) Adds a new section that requires permits for all tattoo shops and temporary locations where tattooing is performed;
- (2) Adds a new section regarding the issuance of temporary licenses;
- (3) Amends the definition of a "tattoo artist";
- (4) Requires individuals applying for licenses as tattoo artists to pass a tuberculin skin test or chest x-ray examination and complete the hepatitis B vaccination series or antibody testing showing immunity;



- (5) Amends the listing of violations that result in the revocation, limitation, condition, or suspension of a permit or license to update the description of conduct constituting a violation, including reckless behavior or negligence; arrest or conviction for any violation of substance abuse or trafficking of illegal substances; and disability caused by a mental disorder, and to add, as violations, tattooing any person under the age of eighteen without written parental consent and tattooing any person under the age of sixteen; and
- (6) Imposes penalties for certain violations.

Your Committees received comments on this measure from the Department of Health, the Office of the Public Defender, and the Coalition for Safe Tattooing in Hawai'i.

Your Committees find that updated regulation of tattoo artists is necessary both to protect the health and safety of consumers who receive services from the tattooing industry and to keep abreast of developments in the industry.

Your Committees have amended this measure by:

- (1) Clarifying the requirements for obtaining a permit to operate a tattoo shop or temporary location;
- (2) Repealing provisions regarding the regulation of facial tattoos;
- (3) Deleting the provision requiring that applicants pass a tuberculin skin test or chest x-ray examination and complete the hepatitis B vaccination series or antibody testing showing immunity;
- (4) Revising language allowing the Department of Health to issue temporary licenses to tattoo artists not licensed in the State for educational, trade show, or product demonstration purposes;
- (5) Clarifying that licensed tattoo artists may tattoo only in a shop or temporary location that has a valid permit issued by the Director of Health;
- (6) Repealing the Director's authority to deny the renewal of a license;
- (7) Amending the provision relating to discipline and complaints by deleting existing provisions and adding new provisions regarding enforcement and penalties; and
- (8) Making conforming amendments, including repealing sections 321-376 (facial tattoos), 321-378 (denial of licensure and hearings), 321-380 (penalties), and 321-383 (license without necessity of examination), Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1263, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1263, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 1250      Judiciary on S.B. No. 119**

The purpose of this bill is to simplify the conduct of international business by recognizing money judgments obtained in other nations for the purpose of enforcement.

This bill replaces the Uniform Foreign Money-Judgments Recognition Act, enacted in 1996 as Chapter 658C, Hawaii Revised Statutes, with the Uniform Foreign-Country Money Judgments Recognition Act. Among other things, this bill updates current law by:

- (1) Providing a statute of limitation on enforcement of a foreign-country judgment;
- (2) Providing that the party seeking recognition of a foreign judgment has the burden to prove that the judgment is subject to the Act; and
- (3) Imposing the burden of proof of establishing that a specific ground for non-recognition exists, upon the party resisting recognition.

The Hawaii Commission to Promote Uniform Legislation offered comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Mizuno, B. Oshiro, Souki and Thielen.

**SCRep. 1251      Judiciary on S.B. No. 843**

The purpose of this bill is to assist the court in rendering appropriate sentences by restoring a statutory provision that allows the court, in its discretion, to order a defendant who has been convicted of a felony or a misdemeanor to submit to mental or other medical observation and examination prior to being sentenced.

The Judiciary, Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, and Hawaii County Office of the Prosecuting Attorney supported this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Adding a savings clause;
- (2) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 843, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1252          Judiciary on S.B. No. 1137**

The purpose of this bill is to ensure the health and safety of the vulnerable population who are served by the Hawaii Health Systems Corporation (HHSC) by authorizing HHSC to conduct criminal history record checks.

The HHSC Corporation Board of Directors and a concerned individual supported this bill. The Hawaii Civil Rights Commission and United Public Workers, AFSCME, Local 464, AFL-CIO opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1137, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.  
(Representative Carroll voted no.)

**SCRep. 1253          Health on S.B. No. 931**

The purpose of this bill is to provide the Department of Health (DOH) with the powers necessary to ensure the health and safety of the general public when there is reasonable cause for an investigation of a disease or series of injuries deemed by DOH to threaten the public health or safety by authorizing select DOH staff to enter onto any premises, public or private, to secure or collect any plant, animal, food, or environmental samples deemed necessary to successfully conduct an investigation.

DOH supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1254          Health on S.B. No. 423**

The purpose of this bill is to ensure continued access to health care in our communities and meet rising health care costs by appropriating \$10,181,909 in state funds to maximize the availability of the federal disproportionate share hospital allowance of \$12,500,000 secured by Hawaii's Congressional delegation.

Kaiser Permanente Hawaii, The Queen's Medical Center, The Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, and AARP Hawaii supported this bill. The Department of Human Services opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 423, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 423, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1255          Health on S.B. No. 568**

The purpose of this bill is to ensure safe, accurate, and efficient medication prescribing practices by establishing the Electronic Prescription Drug Program Task Force (Task Force) to develop a plan to establish and implement, by July 1, 2011, the mandatory use of an Electronic Prescription Drug Program (Program) by pharmacists, physicians, and others authorized to prescribe or dispense prescription drugs in the state.

Walgreens Co. supported this bill. The Department of Health and the Department of Human Services supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Providing that the use of the Program is discretionary rather than mandatory;
- (2) Clarifying that the Task Force members representing dentists and a local health plan will be represented by a representative of the Hawaii Dental Association and the Hawaii Association of Health Plans respectively;

- (3) Ensuring that the professions of Physician Assistants and Advance Practice Registered Nurses each have a representative on the Task Force;
- (4) Adding a representative to the Task Force from the Hawaii Association for Justice;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 568, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1256 Health on S.B. No. 1178**

The purpose of this bill is to ensure access to dialysis services in times of emergency by requiring that the Department of Health (DOH):

- (1) Review emergency plans and develop guidelines of all dialysis centers in the state to ensure the safety of dialysis patients in the event of a public emergency; and
- (2) Post on its website a list of all dialysis centers in Hawaii that have backup emergency generators with the capacity to sustain dialysis treatments and maintain their water treatment system.

DOH submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1257 Health on S.B. No. 1673**

The purpose of this bill is to address the future of the Hawaii Health Systems Corporation and its regional boards.

Testimony on this bill, as received, was submitted by a variety of organizations. The Hawaii Health Systems Corporation and Hawaii Primary Care Association supported this bill. The Hawaii Government Employees Association expressed support for the general purpose and intent of this bill. The United Public Workers opposed this bill. The Hawaii Medical Service Association offered comments on part III of the bill.

Your Committee finds that the structure of the Hawaii Health Systems Corporation established by Act 290 of the Regular Session of 2007 has not worked well. The Hawaii Health Systems Corporation is expecting a \$62,000,000 operating budget shortfall. Many of the accounts payable of regional facilities are excessively delinquent, causing much hardship on vendors. Certain regional systems have incurred debts, secured by state property, that are of questionable prudence. Most importantly, Act 290 has caused confusion between the corporate board and regional boards regarding their respective powers and authority, resulting in inefficiency and ineffectiveness.

Because of these problems, your Committee has amended this bill by replacing the S.D. 1 contents with provisions that are consistent with the House Finance Committee's position regarding the Hawaii Health Systems Corporation, as set forth in House Bill No. 200, H.D. 1, the General Appropriations bill. In sum, this bill, as amended, transfers responsibility for the community hospitals to the Department of Health and abolishes the Hawaii Health Systems Corporation and its regional boards. For a two-year period from July 1, 2009, to June 30, 2011, the Department of Health is required to manage, operate, and maintain the community hospitals through a new Division of Community Hospitals headed by a Deputy Director appointed by the Director of Health.

During the two-year period, a Community Hospitals Transition Committee is required to conduct a study of the community hospital system. Comprised of members of the present Finance, Information Systems, and Audit Committee of the Hawaii Health Systems Corporation, the Transition Committee is to submit findings and recommendations to the Legislature by October 1, 2010, on the:

- (1) Types and levels of health care services that should be provided by community hospitals in the communities served;
- (2) Optimal operational structure for the community hospital system;
- (3) Best revenue source for dedication to the community hospitals; and
- (4) "Carve out" of the Maui region from the community hospital system.

The amended bill intends for the Legislature to use these findings and recommendations to enact legislation during the Regular Session of 2011, establishing a permanent structure for the community hospitals.

Your Committee recognizes that this bill, as amended, places substantial pressure on the Legislature to agree upon the appropriate action on a permanent structure. Part I of this bill, as amended, under which the Department of Health through the Division of Community Hospitals is required to manage, operate, and maintain the community hospitals, will sunset on June 30, 2011. Consequently, if the Legislature fails to enact, before the sunset date,

legislation establishing a permanent structure or extending the temporary transition structure, no state agency technically will be responsible for the community hospital system after June 30, 2011. Upon such failure, state law will then be silent on responsibility for the management of the community hospitals, forcing the community hospitals to be shut down. Your Committee has intentionally drafted this bill in this manner to force legislative action.

Your Committee intends that the placement of the community hospitals under the Department of Health for a two-year transition period be regarded as similar to the appointment of a trustee during a reorganization period. Your Committee believes that a de facto "trustee" is needed in the near term to address the immediate problems of the community hospital system. Your Committee finds that such a "trustee" should have the real, effective power and authority to make decisions concerning the community hospitals without necessity of prior presentation to and approval by a corporate board and regional boards. In this manner, responsibility and accountability for the community hospital system will be clear during the transition period. However, your Committee notes that, unlike a bankruptcy trustee, the Department of Health is not empowered under this bill, as amended, to abrogate any collective bargaining agreement with a public employees' union.

The following is a brief description of the parts of this bill, as amended.

As described previously, part I transfers responsibility for the management, operation, and maintenance of the community hospitals to the Department of Health. The Department is to perform this duty through a new Division of Community Hospitals headed by a Deputy Director, who is to be appointed by and is to report to the Director of Health. With respect to part I, your Committee notes the following:

- (1) The Division of Community Hospitals is intended to operate as a normal "state agency." The Division is not intended to be a body corporate or public instrumentality with independent powers;
- (2) The term "community hospital" is intended to include Maluhia Hospital and Leahi Hospital on Oahu, although neither institution offers emergency services or acute care as does the usual "hospital";
- (3) The Division is authorized to reduce or eliminate direct patient care services at any community hospital without the prior approval of the Legislature. The Division, however, is required to give notice to the Legislature before substantially reducing or eliminating such services. Your Committee finds that the restriction under present law requiring legislative approval before substantially reducing or eliminating service is excessively burdensome, preventing efficient operations of the community hospitals. Notwithstanding this amendment, your Committee intends that the Division not reduce or eliminate patient care services at any community hospital if the reduction or elimination will endanger the health and safety of the community served; and
- (4) Section 323F-5, Hawaii Revised Statutes, which states that board members and employees of the Hawaii Health Systems Corporation are subject to the ethics code, is repealed as being no longer necessary. Your Committee does not intend that the repeal be construed as excluding community hospital officers and employees from the state ethics code.

Part II makes conforming amendments to various sections of the Hawaii Revised Statutes to reflect the transfer of responsibility under part I. Two of the major amendments make clear that the Department of Health will not be authorized to enter into financing agreements on its own or serve as the "public employer" for collective bargaining negotiations.

Part III establishes transition provisions. Your Committee emphasizes that this part does not authorize the Department of Health to terminate or modify any collective bargaining agreement with a public employees' union without the agreement of the union. Nor does part III require the retention by the Department of officers and employees of the Hawaii Health Systems Corporation whose positions are eliminated by the General Appropriations Act of 2009.

Part IV establishes a Community Hospitals Transition Committee to conduct the previously described study. The Transition Committee is to be comprised of the same members as the current Finance, Information Systems, and Audit Committee of the Hawaii Health Systems Corporation who, your Committee understands, are doing exemplary work under the present structure. The Transition Committee is to submit its findings and recommendations to the Legislature before October 1, 2010, in order to give the Legislature sufficient time for review prior to the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1673, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1258 Human Services on S.B. No. 1203**

The purpose of this bill is to help encourage a sense of civic and community responsibility in the state's youth by directing the Office of Community Services (OCS) to establish a voluntary community service program whereby residents between the ages of 15 and 18 years may serve a minimum of 500 hours of community service and earn \$3 per hour in scholarship funds to be used to finance any educational program until age 30.

The Hawaii Association of Independent Schools and a concerned individual supported this bill. OCS supported the intent of this measure.

Your Committee emphasizes that while there are some concerns over the implementation of this proposed program, the concept is laudable and deserving of continued discussion. Volunteerism and community service not only allows students to participate in real-world learning experiences, but also teaches them the value of civic engagement. By connecting students to local nonprofit organizations and state departments, this program will help foster in the state's youth a sense of social responsibility and a belief in their ability to make a difference in the world around them. Additionally, by linking community service to scholarship funds, this program would help increase access to higher education by socio-economically disadvantaged youth.

While the current fiscal climate limits the State's ability to effectively grow this program at this time, your Committee envisions the possibility of building it into a program with a similar vision and mission as the Peace Corps.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1259 Human Services on S.B. No. 1568**

The purpose of this bill is to financially assist individuals during difficult economic times by extending unemployment insurance benefits to:

- (1) An individual for whom a majority of the weeks of work in the individual's base period includes part-time work and who is seeking only part-time work; and
- (2) An individual who is separated from employment for a compelling family reason, including:
  - (A) Domestic violence;
  - (B) The illness or disability of an immediate family member; or
  - (C) The individual's need to accompany a spouse in a job relocation and for whom commuting is not viable.

The Department of Labor and Industrial Relations (DLIR) and the Policy Advisory Board for Elder Affairs supported this bill.

Hawaii, like the rest of the nation, is currently facing one of the worst economic climates in its history. Not only is the State required to make difficult choices between equally vital and necessary programs and services, but individuals are increasingly limited in their employment options, often turning to part-time employment to earn income. Your Committee finds that by allowing individuals who work part-time to be eligible for unemployment benefits, they will be more able to meet their financial obligations until such time that full-time employment becomes a viable option.

Your Committee notes that while DLIR has applied law consistent with this measure by policy and practice, this bill will codify and affirm that policy in conformance with provisions of the American Recovery and Reinvestment Act of 2009, thereby allowing the State to access greatly needed federal funds. The additional revenue will assist the State to continue to deliver services and benefits to ease the strain on Hawaii's families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1260 Human Services on S.B. No. 905**

The purpose of this bill is to more efficiently and effectively deliver services to immigrants and socio-economically disadvantaged persons by transferring the Office of Community Services (OCS) from the Department of Labor and Industrial Relations (DLIR) to the Department of Human Services (DHS) while maintaining employment core services and creation programs within DLIR.

DHS, OCS, Child & Family Service, Catholic Charities Hawaii, the Inter-Agency Council for Immigrant and Refugee Services, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Filipino American Citizens League, Oahu Filipino Community Council, United Filipino Council of Hawaii, Filipinos for Affirmative Action, Hawaii Immigrant Justice Center, and Goodwill Industries of Hawaii, Inc., supported this bill with amendments. The Pacific Gateway Center provided comments.

OCS was initially created to consolidate a number of programs that dealt with economic and personal self-sufficiency under one office. At that time, OCS's primary focus was assisting individuals to attain and maintain employment, which fit well under the purview of DLIR. With changing times, however, OCS has also changed its core mission from narrowly-focused employment training programs to programs that are more supportive in nature and more holistic in approach. The very nature of this shift in focus makes the transfer of OCS from DLIR to DHS logical.

Your Committee respectfully acknowledges the concerns brought forth by your Committee on Labor & Public Employment, however, leaving employment core services and employment creation programs administratively under DLIR would fragment services and service delivery, which would negate the positive effects of consolidation and inhibit the holistic approach to self-sufficiency for which OCS is striving. Additionally, a transferring to DHS would provide OCS with additional referral capacity over a broad range of services that these disadvantaged populations typically experience, while allowing OCS to remain an independently-attached agency.

Your Committee feels that additional services specifically focusing on undocumented immigrants and refugees who are victims of domestic violence are well-placed under the purview of OCS given its holistic approach and the populations it serves. For these reasons, should this legislation move forward, your Committee suggests that DHS establish the proposed pilot project within OCS. Your Committee emphasizes that there is no request for an additional appropriation to fund this voluntary pilot project.

Accordingly, your Committee has amended this bill by:

- (1) Removing language that stipulates that employment core services and employment creation programs for low-income individuals, immigrants, and refugees remain a function of DLIR; and
- (2) Including provisions that permit DHS to establish a pilot project to assist undocumented immigrants and refugees who are victims of domestic violence and sexual assault to:
  - (A) Obtain restraining orders and file petition applications under the federal Violence Against Women Act;
  - (B) Receive employment training and placement;
  - (C) Receive legal advice for family law issues; and
  - (D) Access case management needs including language learning, transportation, and documentation.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 905, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 905, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1261 Water, Land, & Ocean Resources on S.B. No. 1**

The purpose of this bill is to rehabilitate the natural populations of Hawaiian opihi species by:

- (1) Establishing a five-year moratorium on the harvesting of opihi on Oahu;
- (2) Establishing a ban on taking or harvesting opihi statewide, subject to open and closed seasons and the traditional rights of ahupuaa tenants; and
- (3) Requiring the Department of Land and Natural Resources (DLNR) to submit an annual report to the Legislature on the effectiveness and enforcement of the statewide seasonal ban.

The Office of Hawaiian Affairs, The Nature Conservancy, Kawaihapai Ohana, KUPA, the Koolaupoko Hawaiian Civic Club, Hawaii Community Stewardship Network, and several concerned individuals supported this bill. DLNR opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Luke, Morita and Ching.

**SCRep. 1262 Water, Land, & Ocean Resources on S.B. No. 378**

The purpose of this bill is to protect the state's precious marine resources by establishing fishing bag limits and size restrictions for uhu and goatfish on the island of Maui.

The Department of Land and Natural Resources (DLNR), The Nature Conservancy, Maui Tomorrow Foundation, Inc., the Hawaii Democratic Party, Project Tsunami, The Snorkel Bob Foundation, Green Divers Productions, and numerous concerned individuals supported this bill. Hawaii Nearshore Fishermen and several concerned individuals opposed this measure.

Your Committee has amended this bill by deleting its contents and replacing it with the contents of H.B. No. 1712, H.D. 2. As amended, this bill requires DLNR to:

- (1) Continue to hold public informational meetings to hear concerns and suggestions from the public regarding the taking and protection of uhu, weke/moana kali, and ulua/papio;
- (2) Use and present all available data to support the basis for any rule proposed based on public input, and if no data is available, use all available means to gather the necessary data;
- (3) Develop a monitoring and evaluation program to determine the effects that runoff, sedimentation, pollution, lack or profusion of fresh water intrusion into the marine ecosystem, and the introduction of invasive species have on the ecosystem that affect the habitat and forage of uhu, weke/moana kali, and ulua/papio; and
- (4) Develop a monitoring and evaluation program to determine the outcomes to be achieved by the implementation of any proposed rule and estimate the timeframes through which the outcomes will be achieved.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 378, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 378, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1263 Water, Land, & Ocean Resources on S.B. No. 521**

The purpose of this bill is to enable more accurate real property tax assessments by requiring the Registrar of the Bureau of Conveyances (Registrar) to transmit to the Administrator of the Real Property Assessment Division of the City and County of Honolulu (Honolulu Assessment Division), without charge and on a weekly basis, an image and index of all instruments and documents relating to land in all counties that were recorded with the Registrar during the previous week. This bill also:

- (1) Requires the Administrator of the Honolulu Assessment Division to provide copies of the images, without charge, to the real property assessment administrators of the other counties; and
- (2) Allows the Administrator of the Honolulu Assessment Division to impose a charge to provide images or other information to parties other than the counties.

The Department of Land and Natural Resources opposed this bill. The Honolulu Assessment Division submitted comments.

Your Committee has amended this measure by:

- (1) In lieu of the Administrator of the Honolulu Assessment Division, requiring the image and index of documents to be transmitted to the county designated to act as the central clearinghouse in a memorandum of understanding agreed upon by the counties, provided that the central clearinghouse deliver the images and index to the other counties without charge;

- (2) Removing the provision allowing the Assistant Registrar to transmit the image and index after the specified deadline for transmittal;
- (3) Allowing the image and index to be transmitted by the Assistant Registrar electronically;
- (4) Deleting the provision allowing the Administrator of the Honolulu Assessment Division to impose a charge to provide images or other information to parties other than the counties; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 521, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 521, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1264 Water, Land, & Ocean Resources on S.B. No. 522**

The purpose of this bill is to enable more accurate real property tax assessments by requiring the Assistant Registrar of the Land Court (Assistant Registrar) to transmit to the Administrator of the Real Property Assessment Division of the City and County of Honolulu (Honolulu Assessment Division), without charge and on a weekly basis, an image and index of all documents relating to registered land in all counties recorded with the Assistant Registrar during the previous week. This bill also requires the Administrator of the Honolulu Assessment Division to provide copies of the images, without charge, to the real property assessment administrators of the other counties.

The Department of Land and Natural Resources opposed this bill. The Honolulu Assessment Division submitted comments.

Your Committee has amended this measure by:

- (1) In lieu of the Administrator of the Honolulu Assessment Division, requiring the image and index of documents to be transmitted to the county designated to act as the central clearinghouse in a memorandum of understanding agreed upon by the counties, provided that the central clearinghouse deliver the images and index to the other counties without charge;
- (2) Removing the provision allowing the Assistant Registrar to transmit the image and index after the specified deadline for transmittal in the case of unforeseen technical computer malfunction; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 522, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 522, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1265 Water, Land, & Ocean Resources on S.B. No. 1141**

The purpose of this bill is to enhance the long-term viability of businesses on Sand Island by requiring the Department of Land and Natural Resources (DLNR) to offer parcels of Sand Island for sale or exchange to a leaseholder of the same parcel.

The Sand Island Business Association supported this bill. DLNR opposed this bill. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1141, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1266 Housing/Water, Land, & Ocean Resources on S.B. No. 442**

The purpose of this bill is to create the County Infrastructure Development Revolving Loan Fund (Fund) to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly those involving affordable housing.

The Office of Hawaiian Affairs, Honolulu Department of Planning and Permitting, Building Industry Association of Hawaii, Land Use Research Foundation of Hawaii, and several concerned individuals supported this bill.

Your Committees have amended this bill by:

- (1) Clarifying that the Fund is to provide loans to promote rail transit-oriented development; and
- (2) Clarifying that the emphasis on projects involving affordable housing does not include mixed-use projects.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 442, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 442, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1267 Consumer Protection & Commerce/Judiciary on S.B. No. 1218**

The purpose of this bill is to protect homebuyers by replacing the Mortgage Brokers and Solicitors Law under Chapter 454, Hawaii Revised Statutes (HRS), with a new law regulating mortgage loan originators.

The Hawaii Bankers Association testified in support of this bill. The Department of Commerce and Consumer Affairs and the Hawaii Financial Services Association opposed this measure. The Legal Aid Society of Hawaii provided comments.

While this bill is the latest attempt in the last several years to reform mortgage broker regulation, there are additional considerations this time around. The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) was passed in July 2008, establishing a uniform licensing and registration system for all mortgage loan originators, including mortgage brokers and loan officers. If a state does not implement laws consistent with the SAFE Act by federally established deadlines, the federal Department of Housing and Urban Development will provide the regulatory system. In light of these circumstances and the prospect of ceding regulatory authority over mortgage brokers to federal control, your Committees continue to carefully consider the merits of this bill.

Your Committees also note that there are concerns regarding the repeal of the current mortgage broker law by this measure, because the new regulatory provisions in this bill, based on the requirements of the SAFE Act, apply only to individuals dealing with residential mortgage loans. It therefore appears that the SAFE Act does not preempt state laws regulating mortgage broker entities, such as corporations or partnerships, that employ mortgage loan originators, and that the repeal of the existing mortgage broker law will negatively impact consumer protections by eliminating the regulatory scheme for these mortgage broker entities.

Accordingly, your Committees have amended this bill by:

- (1) Eliminating the provision that repeals Chapter 454, HRS, Mortgage Brokers and Solicitors, and instead exempting mortgage loan originators from that chapter;
  - (2) Renaming the new chapter established by this bill, as the "Secure and Fair Enforcement for Mortgage Licensing Act;"
  - (3) Removing the provisions:
    - (A) Establishing certain requirements for written agreements between mortgage loan originators and borrowers, including commitment letters and mortgage brokerage agreements;
    - (B) Prohibiting mortgage loan originators from:
      - (i) Soliciting or arranging a residential mortgage loan at the borrower's dwelling without a prearranged appointment initiated by and at the invitation of the borrower;
      - (ii) Completing, without the borrower's consent, any portion of a residential mortgage loan application that requests material information; and
      - (iii) Completing, without the borrower's consent, any portion of an instrument evidencing or securing a residential mortgage loan, which portion relates to the amount, interest rate, or monthly payment of the loan;

and

  - (C) Establishing enhanced monetary penalties for violations of the new mortgage loan originator law involving conduct directed at elders;
- (4) Providing that it is a prohibited act for a mortgage loan originator to cause or require a borrower to obtain property insurance coverage in an amount exceeding the replacement cost of the improvements as established by the property insurer, rather than the property owner;
  - (5) Providing the following fees for mortgage loan originators:
    - (A) \$250 for the license application fee;
    - (B) \$175 for the initial license fee;
    - (C) \$325 for the annual license renewal fee; and
    - (D) \$100 for a mortgage broker surcharge to establish regulatory practices for residential mortgage lending;

and

  - (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1218, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.



**SCRep. 1268      Agriculture/Water, Land, & Ocean Resources on S.B. No. 1152**

The purpose of this bill is to preserve agricultural lands for agricultural use by imposing a 100 year moratorium on certain building and development projects on agricultural lands located in the 22<sup>nd</sup> and 23<sup>rd</sup> Senatorial Districts on Oahu.

HPC Foods, Ltd., and numerous concerned individuals supported this bill. The Office of Planning, Department of Planning and Permitting of the City and County of Honolulu, Kamehameha Schools, Land Use Research Foundation of Hawaii, and Bank of Hawaii opposed this bill. The Department of Agriculture and Hawaii Farm Bureau Federation submitted comments.

Your Committees note that significant issues were raised in testimony submitted for this measure. Concerns were raised regarding the long duration of the moratorium which may be perceived as a permanent restriction on private land, the lack of legal or factual justification for the moratorium, the lack of a variance process, and potential for litigation. Concerns were also raised regarding whether the provisions of this bill are sufficient to carry out the intent of preserving agricultural lands for agricultural use. This bill appears to remain silent on whether a landowner faced with the moratorium may simply petition to reclassify lands out of the agricultural district, and the measure also does not address some of the critical needs of many agricultural operations, including the need to access reliable and stable sources of water. This measure may also have the unintended consequence of hampering efforts by landowners and farmers to subdivide their property to build employee housing and farm dwellings.

In light of these concerns, your Committees have amended this measure by changing its effective date to July 1, 2109. Other technical, nonsubstantive amendments have been made for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1152, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1152, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Luke, Wakai and Ching.

**SCRep. 1269      Water, Land, & Ocean Resources/Agriculture on S.B. No. 633**

The purpose of this bill is to improve the role of the Molokai Irrigation System Water Users Advisory Board (Board) by:

- (1) Changing the representation on the Board to include a kupuna homestead farmer user, as a regular member, and the supervisor of the Molokai District Office of the Department of Hawaiian Homelands (DHHL), as an ex officio member; and
- (2) Making other clarifying amendments to the Board's enabling statutes.

The Department of Agriculture and Hawaii Farm Bureau Federation supported this bill. DHHL supported the intent of this bill. A concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 633, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 633, S.D. 1, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives Berg, Luke, Wakai and Ching.

**SCRep. 1270      Water, Land, & Ocean Resources/Agriculture on S.B. No. 1345**

The purpose of this bill is to provide fair compensation and an automatic lease extension to protect a lessee's interest in leased state land when the Department of Land and Natural Resources (DLNR) takes or condemns any portion of the land, preventing the lessee from using the land as originally intended.

The Hawaii Cattlemen's Association, Inc., Maui Cattlemen's Association, Farias Cattle Co., and several concerned individuals supported this bill. DLNR opposed this bill.

Your Committees have amended this bill by:

- (1) Clarifying that the formula for determining compensation for costs attributable to the diminished use of the lease land includes loss of reasonably anticipated income minus operating costs; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1345, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1345, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Luke, Wakai and Ching.

**SCRep. 1271      Water, Land, & Ocean Resources on S.B. No. 468**

The purpose of this bill is to revise coastal zone management statutes by:

- (1) Requiring affected agencies to account for sea level rise and minimize risks from coastal hazards such as erosion, storm inundation, hurricanes, and tsunamis;

- (2) Preserving public access and public shoreline access and ensuring reasonable street parking near access areas;
- (3) Extending shoreline setbacks to not less than 40 feet from the shoreline; and
- (4) Requiring the counties to account for annual erosion rates.

The Sierra Club, Hawaii Chapter, Maui Tomorrow Foundation, Inc., and several concerned individuals supported this bill. The Office of Planning, Honolulu Department of Planning and Permitting, Land Use Research Foundation of Hawaii, and Hawaii Developers' Council opposed this bill. The Department of Land and Natural Resources, Hawaii Association of Realtors, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company offered comments.

Your Committee has amended this bill by replacing its substance with the contents of H.B. No. 570, H.D. 1. As amended this bill, among other things:

- (1) Preserves public access to shorelines and ensures reasonable street parking near access areas;
- (2) Includes in the objectives and policies of the Coastal Zone Management Program with respect to coastal ecosystems, beaches and dunes, and with respect to beach protection, minimizes negative impacts to coastal environments and protects against coastal hazards;
- (3) Clarifies that all development in the special management area is subject to reasonable terms and conditions "relative to the objectives, policies, and guidelines" of coastal zone management laws;
- (4) Provides that the counties may not approve developments in the special management areas that impede "reasonable and adequate" public access to or along the shoreline;
- (5) Requires the counties to minimize development that "directly" reduces the size of the beach or recreation area;
- (6) Retains the current statutory setback minimum of 20 feet;
- (7) Deletes the provision waiving a public hearing prior to a shoreline setback variance for:
  - (a) The protection of a legal structure costing more than \$20,000, for structures at risk of immediate damage from shoreline erosion, instead of raising the threshold structure value to \$50,000; and
  - (b) Other structures or activities for which no person or agency has requested a public hearing within 25 calendar days of public notice of the variance application;
- (8) Waives the public hearing requirement for a shoreline setback variance for temporary emergency protection of legal inhabited dwelling or major infrastructure at risk of immediate damage from shoreline erosion or other coastal hazard;
- (9) Requires the counties in establishing shoreline setbacks greater than those established by part II of the coastal zone management statutes to use average shoreline erosion rates, where appropriate, and to use the setback as a tool to minimize the damage from coastal hazards and protect the public safety and access;
- (10) Requires for structural variances that are necessary for or ancillary to landscaping, that the proposed structure or activity not adversely affect adequate public access;
- (11) Requires that a private facility or improvement not adversely affect beach processes or artificially fix the shoreline for allowing a structural variance where denial will result in significant hardship to the applicant;
- (12) Requires for applications of structural variances that may harden the shoreline, consideration of whether the activity will alter beach-quality sediment availability;
- (13) Requires for applications of variances for the moving of sand from one location seaward of the shoreline to another location seaward of the shoreline, that the movement be within the same littoral system, and allowing movement not only to stabilize an eroding shoreline, but also for stream mouth maintenance;
- (14) Authorizes the planning departments of the counties, instead of DLNR, to determine and enforce the shoreline setbacks, and to adopt rules pertaining to the setback and its enforcement;
- (15) Exempts existing structures on Waikiki beach and properties subject to the Waikiki Beach Reclamation Agreement between the Territory of Hawaii and the beachfront property owners from the shoreline setback established in part II of the coastal zone management statutes and any more restrictive setbacks established by the counties; and
- (16) Makes technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee respectfully requests that the Committee on Judiciary consider the application of the setback provisions in this bill to properties on neighbor islands and whether additional exemptions from their application are required.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 468, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 468, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1272 Water, Land, & Ocean Resources on S.B. No. 636**

The purpose of this bill is to make minor housekeeping amendments to sections 502-33 and 502-41, Hawaii Revised Statutes, relating to the recording of documents with the Bureau of Conveyances.

The Department of Land and Natural Resources (DLNR) supported this bill.

Your Committee has amended this bill by replacing its contents with those of H.B. No. 980, H.D. 2, to ensure that DLNR has the necessary tools and funding to repair and maintain the State's recreational facilities for the enjoyment of its residents and visitors. As amended this bill:

- (1) Creates a Recreational Renaissance Special Fund (Fund) to be used to implement DLNR's Recreational Renaissance Plan;
- (2) Authorizes small boat harbor moorage fees and tariffs to be set by appraisal, and fees to be increased to better support ongoing operations and maintenance at boat harbors and parks;
- (3) Authorizes the development of Keehi Lagoon as a long-term source of revenue to support DLNR park and conservation activities;
- (4) Authorizes a limited number of commercial vessels to be moored at the Ala Wai and Keehi Boat Harbors;
- (5) Allows the assessment of utility and common area maintenance fees in small boat harbors while including utility and common area maintenance fees in the formula to determine the amount of fees for commercial vessels moored at small boat harbors;
- (6) Provides that if projects paid for under the appropriations made under Act 118, Session Laws of Hawaii 2006, to cover the costs of recovery and remediation efforts due to the storms in February and March 2006, become eligible for federal reimbursement, those reimbursements are to be paid into the Fund;
- (7) Authorizes improvements to specific water- and land-based recreational facilities;
- (8) Appropriates funds out of the fund to implement the purposes of the Fund; and
- (9) Takes effect on July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 636, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 636, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1273 Hawaiian Affairs on S.B. No. 709**

The purpose of this bill is to protect Hawaiian taro by prohibiting genetically engineered taro from being developed, tested, propagated, released, imported, planted, or grown in the State of Hawaii.

The Association of Hawaiian Civic Clubs, Orchid Growers of Hawaii, KAHEA: The Hawaiian-Environmental Alliance, Kawaihapai Ohana, and numerous concerned individuals supported this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Department of Agriculture, Department of Business, Economic Development, and Tourism, University of Hawaii, Hawaii Science & Technology Council, Hawaii Crop Improvement Association, Tropical Hawaiian Products, and several concerned individuals opposed this measure. A concerned individual submitted comments.

Your Committee has amended this bill by adding a definition for "Hawaiian taro." Other nonsubstantive amendments were made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 2, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Mizuno and Yamane.

**SCRep. 1274 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 50**

The purpose of this bill is to:

- (1) Authorize the Board of Land and Natural Resources (Board) after at least two public hearings to lease public lands to renewable energy producers who provide certain indicators of the project's viability; and
- (2) Grant the renewable energy producer a right of first refusal upon the renewal of its lease.

The Department of Agriculture, Hawaii Cattlemen's Council, Inc., Maui Cattlemen's Association, Hu Honua Bioenergy, LLC, Tradewinds Forest Products, and several concerned individuals supported this bill. The Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, First Wind Energy, LLC, and several concerned individuals supported the intent of this bill. SunFuels Hawaii, LLC, and a concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Changing the criteria of a project's viability to require a description of the financial plan, rather than evidence of financial ability, and a description of acreage requirements that includes public and private land, rather than evidence that the producer has relied upon securing private land to the fullest reasonable extent;
- (2) Requiring that a lease to a renewable energy producer not result in the withdrawal of land from an existing lease of public lands that represents a 25 percent or more reduction in the productivity of the leased land;
- (3) Clarifying that the new provisions do not give the Board the right to terminate or impose new conditions on an existing lease of public land if the lessee is in compliance with the terms of the lease; and

- (4) Requiring only one public hearing, rather than two, prior to the lease of public land to a renewable energy producer.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 50, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 50, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 1275      Transportation on S.B. No. 295**

The purpose of this bill is to promote the use of hybrid vehicles and other energy-efficient vehicles, including plug-in hybrid electric vehicles, by allowing these vehicles to use high occupancy vehicle (HOV) lanes, regardless of the number of occupants in the vehicle.

The Department of Transportation, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill.

Energy-efficient vehicles, such as hybrid vehicles and plug-in hybrid vehicles, are gaining increased acceptance in the consumer market. These vehicles are being purchased in greater numbers and are becoming a more common sight on our roadways. The use of these vehicles not only reduces the consumption of fossil fuels but also aids in the reduction of pollution, including greenhouse-gas emissions. Providing incentives for the purchase and use of these vehicles, such as allowing these vehicles to use HOV lanes regardless of the number of occupants, will benefit the environment and decrease the State's dependence on fossil fuels.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 295, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1276      Transportation on S.B. No. 718**

The purpose of this bill is to promote safety on Hawaii's roadways for all users, including pedestrians, motorists, bicyclists, and transit riders, by ensuring that a roadway's entire right-of-way is designed and operated in a way that enables safe access for all users. Specifically, this bill:

- (1) Requires the State and counties to adopt a complete streets policy to seek to reasonably accommodate convenient access and mobility for all users of the public highways and trails system as established under current law, including pedestrians, bicyclists, transit users, motorists, and persons of all abilities;
- (2) Applies the complete streets policy to highways, roads, streets, ways, and lanes located within urban, suburban, and rural areas, where appropriate, for the application of complete streets;
- (3) Exempts application of the complete streets policy under specified conditions;
- (4) Applies the complete streets policy to any development for which planning or design commences on or after January 1, 2010;
- (5) Establishes a temporary task force, on the recommendation of the Department of Transportation (DOT), to review existing state and county highway design standards and guidelines, to:
  - (A) Determine standards and guidelines that can be established to apply statewide and within each county to provide consistency for all highway users;
  - (B) Propose changes to state and county design standards and guidelines; and
  - (C) Develop a comprehensive complete streets policy that can be feasibly implemented;

and
- (6) Requires the temporary task force to provide an interim report to the Legislature in 2010, and a final report in 2011, that includes any proposed legislation.

The Representative of the 11<sup>th</sup> Representative District, McCully-Moilili Neighborhood Board No. 8, AARP Hawaii, Hawaii Bicycling League, Hawaii Public Health Association, Injury Prevention Advisory Committee, Kauai Path, Inc., Hawaii Nutrition and Physical Activity Coalition, PATH-Peoples Advocacy For Trails Hawaii, Maui Family YMCA, Windward Ahapua'a Alliance, One Voice for Livable Islands, Lahaina Bypass Now, American Heart Association, and numerous individuals testified in support of this bill. DOT supported the intent of this measure. Several concerned individuals provided comments on this bill.

"Complete streets" is a term used nationwide to define roadways that are planned, designed, and built to accommodate all users of a roadway including motorists, pedestrians, bicyclists, and transit riders. This policy is an attempt to meet the needs of all the members of a community, including those who do not drive or choose to use alternative methods of transportation such as biking and walking. Not only does a complete streets policy promote healthier living by encouraging walking and biking through the provision of safe roads for these activities, but it also can reduce traffic congestion and make communities more livable by increasing the use of alternative forms of transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 718, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1277      Transportation on S.B. No. 1224**

The purpose of this bill is to provide limited economic relief to airport concessionaires by allowing periodic adjustment of airport concession rents to a reasonable and affordable level for each concession.

Specifically, this measure:

- (1) Requires the Department of Transportation (DOT) to periodically review each individual airport concession, beginning July 1, 2009, to adjust to a reasonable and affordable level the concession rental amounts due for the remainder of the lease contract, taking into consideration the ability of each individual concession to pay current rents, the concession's profit and loss, and the concession's capital improvement investment; and
- (2) Allows this review and these adjustments to continue until July 1, 2014.

DOT supported this bill. The Airport Concessionaires Committee, HMSHost, and ICE Currency Services USA supported this measure with amendments.

Hawaii is currently facing some of the worst economic conditions seen in the history of the state, and these conditions are only expected to worsen over the near term. Although businesses throughout the islands are experiencing financial difficulties, these hardships are compounded for concessions at Hawaii's airports because of security measures put into place after the attacks of September 11, 2001. These security changes restrict access to many of the airport concessions to ticketed passengers only and therefore severely restrict a concession's market share. In addition, the spiraling economy has resulted in a decrease in the number of visitor arrivals, which has resulted in greater economic losses for airport concessions. While the Legislature provided economic relief to many concessionaires after the events of September 11<sup>th</sup>, some concessions continue to suffer and are therefore seeking relief through this Act.

Your Committee finds that DOT has provided economic relief to some concessionaires that met the statutory requirements for economic relief previously established by the Legislature. However, some businesses do not have similar relief provisions included in their lease agreements. If these businesses continue to suffer financial hardships, it may force them to default on their concession contracts and thus forfeit their performance bond. This would be especially hard for these businesses as forfeiture of their performance bond will result in the concessionaire being barred from doing business with the State for five years. This would not only affect the concessionaire but would have a negative impact on the airport and tourism industry as well. However, simply requiring DOT to periodically review each individual airport concession and provide periodic adjustment of airport concession rents to a reasonable and affordable level for each concession does not guarantee that relief will be provided to these businesses. Therefore, your Committee has amended this bill by deleting its contents and inserting the contents of H.B. No. 1388, H.D. 1, with some additional amendments. As amended, this bill would give the Governor, or Director of DOT (Director) if so directed by the Governor, the discretion and authority to:

- (1) Provide relief to airport concessionaires:
  - (A) Whose leases or contracts were entered into on or after November 1, 2006, and who spent capital improving their concession premises; or
  - (B) Who spent capital improving their concession premises as a result of any agreement entered into with DOT under Act 128, Session Laws of Hawaii 2006;
- (2) Reach a relief agreement with the concessionaire to extend the term of the lease or contract, grant or modify existing relief provisions, reduce or waive rent, and otherwise modify and amend any terms of the concession lease or contract; and
- (3) Grant fair and reasonable relief to a concessionaire whose concession has suffered operating losses for any period starting on or after November 1, 2006.

This bill would also require the Governor or Director, to:

- (1) Provide for annual adjustments in the guaranteed rents of all airport concessionaires that are to be paid to the State;
- (2) Modify and adjust each airport concession lease or contract not having economic emergency relief provisions similar to other concessions leases or contracts issued after September 11, 2001, to contain such provisions;
- (3) Grant optional additional relief to any adjusted or modified contract or lease, or any existing contract or lease that already contains economic emergency relief provisions, during dire economic times; and
- (4) Take into account the concession's economic circumstances and whether the concession received relief by way of annual adjustment in guaranteed rents or other governmental relief to avoid duplicate economic relief benefits to a concessionaire.

Finally, this bill was amended to stipulate that:

- (1) In seeking relief pursuant to this Act, qualified concessionaires may only seek relief for losses of gross receipts or loss of business which occurred during periods of time beginning November 1, 2006, or later;
- (2) Remedies available to both DOT and the concessionaires should agreement not be reached between the two parties on the granting of economic relief within 120 days of enactment of this measure;
- (3) Relief shall be provided as long as and to the extent that such relief does not violate any applicable federal laws and regulations, does not jeopardize the receipt of any federal aid, or impair the obligation of DOT to holders of any bond issued by DOT; and
- (4) The Act be effective on July 1, 2009, and be repealed on July 1, 2011.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1224, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1278      Transportation on S.B. No. 1611**

The purpose of this bill is to improve and modernize Hawaii's land transportation system by:

- (1) Increasing the state liquid fuel tax, state vehicle registration fee, and state vehicle weight tax;
- (2) Creating the Land Transportation Modernization Special Fund;
- (3) Providing funding for a six-year comprehensive modernization program;
- (4) Authorizing the implementation of one or more pilot programs to test alternatives to the current state and county system of motor vehicle fuel taxes; and
- (5) Requiring the Department of Transportation (DOT) to implement the Vehicle Miles Traveled Pilot Program.

DOT, Pacific Resources Partnership, Building Industry Association of Hawaii, Hawaii Developers' Council, The Chamber of Commerce of Hawaii, and Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Taxation (DOTAX) supported the intent of this measure. E Noa Corporation, Hawaii Ship Agents Association, Ocean Tourism Coalition, and Waikiki Trolley testified in opposition to this bill. The Department of Customer Services of the City and County of Honolulu, Tax Foundation of Hawaii, Catrala-Hawaii, Avis Rent A Car, Budget Rent A Car, Enterprise Rent A Car, Alamo Rent A Car, National Car Rental, DTG Operations, Inc., dba Dollar Rent a Car and Thrifty Car Rental, and Hawaii Transportation Association provided comments on this measure.

Hawaii has an aging land transportation system that is in desperate need of improvement. In addition to traffic congestion concerns which result in direct quality of life and economic impacts on the people of Hawaii, safety concerns abound with deteriorating roadways and bridges. Although DOT has been diligent in its attempts to deal with these infrastructure issues, dramatic increases in construction and material costs have required DOT to make difficult choices and fund the most critically needed projects and programs. This results in basic preservation and preventative maintenance projects being deferred, adding to the long-term costs of our land transportation infrastructure.

According to DOT, at current funding levels, it will take over 30 years to address the over \$7,000,000,000 in infrastructure and program needs currently facing the department. This measure attempts to infuse a large amount of capital into transportation projects to assist DOT in meeting Hawaii's future transportation needs and preventing further degradation of Hawaii's land transportation infrastructure.

After further consideration, your Committee has amended this bill by deleting its contents and replacing it with the language contained in H.B. 1167, H.D. 1. As amended, this bill:

- (1) Increases the state liquid fuel tax for all islands with a total resident population of 20,000 or more;
- (2) Increases the state vehicle registration fee on vehicles registered on all islands with a total resident population of 20,000 or more;
- (3) Increases the vehicle weight tax and flat rate fees on vehicles registered on all islands with a total resident population of 20,000 or more;
- (4) Permanently increases the rental motor vehicle surcharge tax from \$2-a-day to \$3-a-day;
- (5) Authorizes DOT to expend funds for various projects and programs dealing with land transportation improvement projects and programs;
- (6) Requires DOT to develop one or more pilot programs to test alternatives to the current state and county motor vehicle fuel tax systems;
- (7) Allows DOTAX to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT;
- (8) Allows DOT to terminate any pilot program established at any time and requiring DOT to notify DOTAX if a pilot program is terminated; and
- (9) Requires DOT to submit various reports to the Legislature on the status of the Land Transportation Modernization Program as well as a Vehicle Miles Traveled Pilot Program.

Your Committee has further amended this bill by:

- (1) Deleting provisions establishing and referring to the Land Transportation Modernization Special Fund (Special Fund) and instead providing for tax and fee increases to be deposited directly to the Highway Special Fund;
- (2) Removing provisions exempting the transfer of funds from the Special Fund from fees charged by the Director of Finance for central services expenses;
- (3) Deleting provisions exempting the Special Fund from administrative expenses incurred by the Special Fund;
- (4) Stipulating that the tax and fee increases shall take effect immediately by changing its effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1611, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1611, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1279      Economic Revitalization, Business, & Military Affairs on S.B. No. 427**

The purpose of this bill is to ensure that recipients of managed health care under the TRICARE Program (Program) are not subject to increased costs by excluding from the general excise tax, amounts received by a Program managed care support contractor under a contract with the United States, for the actual cost of, or advancement to third party health care providers for the cost of, health care services provided under the Program.

The Chamber of Commerce of Hawaii, TriWest Healthcare Alliance Inc., and Hawaii Medical Service Association supported this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this bill.

Your Committee understands that this bill is necessary to dispel any uncertainty that may exist as to whether the amounts specified under this bill are subject to the state general excise tax.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

**SCRep. 1280 Economic Revitalization, Business, & Military Affairs on S.B. No. 242**

The purpose of this bill is to encourage the establishment and growth of seawater air conditioning businesses in Hawaii by allowing these businesses to qualify for tax and other regulatory benefits under the Enterprise Zones Program.

Honolulu Seawater Air Conditioning, LLC, American Public Works Association, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Business, Economic Development, and Tourism, and Department of Taxation opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that this bill will help to increase Hawaii's energy efficiency and self-sufficiency by supporting the establishment and growth of seawater air conditioning businesses. This bill is intended to benefit all seawater air conditioning businesses in enterprise zones throughout Hawaii.

To encourage further discussion of this bill your Committee has changed its effective date to January 1, 2112. Other technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 242, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

**SCRep. 1281 Economic Revitalization, Business, & Military Affairs on S.B. No. 688**

The purpose of this bill is to protect nonsupervisory and nonconfidential employees in the event of the sale, transfer, merger, or other divestiture of a business employing 100 or more persons by requiring that the successor business hire all incumbent employees unless it is substantially dissimilar from the old business, or experiences a reduction in human resource needs.

The Hawaii Government Employees Association; ILWU Local 142; United Public Workers, AFSCME, Local 646, AFL-CIO; International Brotherhood of Electrical Workers; Hawaii Teamsters Local 996; Laborers' International Union North America, Local 368; Pride At Work Hawai'i; and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations; Hawaii Credit Union League; Building Industry Association of Hawaii; Hawaii Business League; National Federation of Independent Business; Hawaii Automobile Dealers Association; Retail Merchants of Hawaii; General Contractors Association of Hawaii; Hawaii Hotel & Lodging Association; Chamber of Commerce of Hawaii; Maui Chamber of Commerce; Limtiaco Company; Outrigger Hotels, ABC Stores; and numerous concerned individuals opposed this measure.

Many businesses voiced concern about the effect that this bill would have on potential transfers of business interests in Hawaii, as well as its impact on the perception of Hawaii's business climate.

Upon reflection, your Committee has amended this bill to give a successor employer that is subject to the employee security requirements of this bill, a general excise tax exemption. The one-year exemption, beginning at the time the successor employer starts to conduct business, is intended to offset the burdens placed on the divestiture transaction.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

Your Committee respectfully requests the Committee on Finance, to which this bill is next referred, to examine the timing of the general excise tax exemption provided in this bill, as well as related issues.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 688, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 688, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

**SCRep. 1282 Economic Revitalization, Business, & Military Affairs on S.B. No. 205**

The purpose of this bill is to strengthen the contractor licensing law by:

- (1) Providing that the sale or lease of a property within two years, instead of one year, by an owner-builder of the property who claims an exemption from the contractor licensing requirement, is prima facie evidence that the person does not qualify for the owner-builder exemption;
- (2) Allowing an exception for sales or leases of the property due to circumstances beyond the owner-builder's control;

- (3) Establishing a presumption that an owner-builder who obtains an exemption more than once in a three-, instead of a two-year period, does not qualify for the owner-builder exemption; and
- (4) Amending the disclosure statement given by the counties to persons who may qualify for the owner-builder exemption, to reflect these amendments.

The Contractors License Board, Building Industry Association of Hawaii (BIA-Hawaii), Subcontractors Association of Hawaii, General Contractors Association, and a concerned individual supported this bill. The Hawaii Association of Realtors (HAR) opposed the measure. The Department of Commerce and Consumer Affairs commented on this bill.

Your Committee has amended this measure to reflect a compromise reached by HAR and BIA-Hawaii by:

- (1) Returning to one year, the time within which the sale or lease of an owner-builder's property is prima facie evidence that the person does not qualify for the owner-builder exemption, and removing related amendments;
- (2) Returning to two years, the time within which an owner-builder exemption claimed more than once by the same person, establishes a presumption that the claimant does not qualify for the owner-builder exemption; and
- (3) Including in the disclosure statement that a county must provide to an applicant for an owner-builder permit, the requirement that the applicant's federal and Hawaii State tax identification numbers, federal and state tax clearances, and certificate of workers' compensation insurance be submitted with the permit application.

Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 205, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

#### **SCRep. 1283 Energy & Environmental Protection on S.B. No. 178**

The purpose of this bill is to facilitate the reduction of food waste by requiring the Department of Education (DOE), in partnership with the Department of Health (DOH), to establish a three-year food waste recycling pilot project in one or more public schools.

DOE supported this bill. DOH opposed this bill.

DOE projects that a food waste recycling operation, such as an on-site composting bin program that is contracted out to a private entity for three years, would cost approximately \$100,000. If existing DOE staff operates the composting bin program, the projected cost would be about \$30,000. However, DOE does not have the staff to segregate waste and operate the bin. Your Committee finds that the funding and contracting or increasing DOE staffing issues surrounding the pilot project must be addressed and resolved before any meaningful action can be taken on this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 1284 Energy & Environmental Protection on S.B. No. 1248**

The purpose of this bill is to assist agricultural and manufacturing businesses in the State Enterprise Zones Program (Program) survive and grow in a responsible manner during this difficult fiscal climate by:

- (1) Allowing limited liability companies to qualify for the Program;
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements;
- (3) Extending Program tax credits for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products; and
- (4) Removing the research, development, sale, or production of genetically-engineered medical, agricultural, and maritime biotechnology products as an eligible business activity.

The Hawaii County Department of Research and Development supported this bill. The Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported this measure with amendments. The Department of Taxation, Department of Business, Economic Development, & Tourism, and Hawaii Crop Improvement Association opposed this bill. The Department of Agriculture and Tax Foundation of Hawaii provided comments.

Your Committee received testimony suggesting revisions to include other renewable energy sources in addition to wind energy for the production of electric power, and to restore the research, development, sale, or production of genetically-engineered agricultural, medical, and maritime biotechnology products, as eligible business activities within Enterprise Zones.

Your Committee finds that the focus and essence of these revisions, as well as their implications, are outside the purview of the subject matter covered by this Committee. Currently, wind energy facilities are a permitted use of land in an agricultural district based on their compatibility with agricultural activities, however, your Committee is hesitant to include other renewable energy technologies without further analysis of their impact. As with the deletion of genetically-engineered agricultural, medical, and maritime biotechnology products, your Committee respectfully defers to the subsequent Committee to address the possibility of these revisions as this measure moves through the legislative process.



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1285 Energy & Environmental Protection on S.B. No. 266**

The purpose of this bill is to establish a global warming task force to assess the impacts of global warming and climate change trends in the State.

Specifically, this bill establishes the global warming task force within the Department of Health for administrative purposes, which shall provide administrative, professional, technical, and clerical support. The task force is to:

- (1) Assess the current and potential impacts of global warming and climate change trends and the impacts of rising ocean levels on the State's residents, natural resources, and economy, including impacts on the visitor industry, air and sea transport, buildings and public utilities infrastructure, human health, and native plants, animals, and ecosystems;
- (2) Estimate costs to the State of the adverse effects associated with climate change and rising sea levels; and
- (3) Recommend measures to address or mitigate the effects of climate change, including preventing shoreline erosion, preserving the visitor industry, relocating transportation infrastructure, restricting construction in affected areas, improving public utilities infrastructure, preparing for health emergencies, and maintaining the health of native species and ecosystems.

In addition, this bill designates twenty-nine individuals to serve on the task force. Furthermore, this bill requires the task force to:

- (1) Select a chairperson, collect information, research reports, and conduct hearings;
- (2) Submit a preliminary report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010; and
- (3) Submit a final report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011.

The task force would cease to exist on June 30, 2011.

Finally, this bill appropriates \$100,000 from the tourism special fund in each of fiscal years 2009-2010 and 2010-2011 for the purposes of the bill. The effective date of the bill is July 1, 2010.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, and Sierra Club Hawaii Chapter. Blue Planet Foundation submitted testimony in support of the bill's intent. The Department of Health submitted testimony in opposition to this bill. The Windward Ahupuaa Alliance offered comments.

Your Committee finds that global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of Hawaii. Accordingly, the State needs to understand and be prepared to respond to the effects of global warming and climate change and to investigate and implement strategies to focus on adaptation.

Upon further consideration, your Committee has amended this bill by:

- (1) Adding a new section 1 to the bill to clarify the bill's purpose;
- (2) Changing the name of the task force from the global warming task force to the climate change task force;
- (3) Placing the task force within the Office of Planning for administrative purposes, rather than in the Department of Health;
- (4) Reducing membership on the task force from twenty-nine to eleven as follows:
  - (A) The Director of the Office of Planning or the director's designee, who shall act as chairperson;
  - (B) The Director of Business, Economic Development, and Tourism or the director's designee;
  - (C) The deputy director of the Department of Health's Environmental Health Administration or the deputy director's designee;
  - (D) Three members appointed by the President of the Senate, of whom one shall be from an environmental organization;
  - (E) Three members appointed by the Speaker of the House of Representatives, of whom one shall be from an environmental organization; and
  - (F) Two members from the University of Hawaii at Manoa to be appointed by the President of the University of Hawaii as follows:
    - (i) One member from the climate change commission to be nominated by members of the commission; and
    - (ii) One member from the department of urban and regional planning to be nominated the dean of the College of Social Sciences; and
- (5) Changing the expending agency for the appropriation to the Office of Planning.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 266, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 266, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 1286 Energy & Environmental Protection on S.B. No. 464**

The purpose of this measure is to encourage capital investment in renewable energy technologies by making the investment more attractive to a wider range of investors who would be able to make use of the renewable energy technologies income tax credit.

The measure removes the restriction on the type of income the tax credit can be used to offset, allows special allocations of the tax credit in certain cases, and prohibits a taxpayer who claims the renewable energy technologies income tax credit from claiming any other income tax credit using the same actual costs or from qualifying as a qualified high technology business. The measure also excludes a depreciation deduction from passive activity losses.

The American Council of Engineering Companies of Hawaii, the Blue Planet Foundation, the Hawaii Renewable Energy Alliance, the Hawaii Solar Energy Association, Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, Sennet Capital LLC, and SunPower Systems Corporation testified in support of the measure. The Building Industry Association of Hawaii testified in support of the intent of the measure. The Department of Taxation testified in opposition to the measure. Dowling Company, Inc. and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that preventing passive activity losses from including a depreciation deduction would cause a lack of conformity between state tax law and federal tax law and would result in a substantial reduction in taxable income. Your Committee also finds that, rather than allowing special allocations of the renewable energy technologies income tax credit in certain cases, it would be simpler and more practical to allow most taxpayers to elect refundable or nonrefundable treatment of the tax credit.

Your Committee has amended this measure by deleting the contents of this measure and replacing it with the contents of Part III of S.B. No. 1173, S.D. 1, to conform to the Internal Revenue Code by amending the renewable energy technologies income tax credit to encourage use of solar and wind energy systems and permitting a portion of the excess of the credit over payments due to be refunded to the taxpayer in certain circumstances.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 464, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1287 Energy & Environmental Protection on S.B. No. 466**

The purpose of this bill is to reduce noise pollution and other adverse effects resulting from leaf blower use by:

- (1) Restricting the operation of a leaf blower within a residential zone or within one hundred feet of a residential zone to certain time periods, establishing additional specific limitations on leaf blower operations, and establishing penalties for violations; and
- (2) Prohibiting the use or operation of a leaf blower in such a manner as to blow debris:
  - (A) Beyond the boundaries of the parcel of property being cleaned, without the consent of the adjoining property owner; or
  - (B) Onto public rights-of-way or onto private property not owned, leased, or controlled by the leaf blower operator or the employer or contractor of the operator, and to allow the debris to remain there in excess of thirty minutes.

Several concerned individuals supported this bill. Several concerned individuals supported the intent of this bill. The Department of Health opposed this measure. Citizens for a Quieter Sacramento and several concerned individuals submitted comments.

Your Committee respectfully requests the Committee on Judiciary to examine the issue of police enforcement and citation as it relates to the prohibitions contained in this measure.

Your Committee has amended this measure by:

- (1) Specifying that the restrictions on the operation of a leaf blower within a residential zone or within one hundred feet of a residential zone apply to lands in the urban land use district;
- (2) Deleting the additional specific limitations for the operation of a leaf blower within a residential zone or within one hundred feet of a residential zone;
- (3) Changing the time periods under which leaf blower operations may take place to the hours between 7:00 A.M. and 7:00 P.M. for days other than Sundays or a federal holiday;
- (4) Inserting a savings clause; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 1288 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 701**

The purpose of this measure is to prohibit the construction of new solid waste landfills or the expansion of any existing private solid waste landfill unit on the Leeward Coast from Kaena Point to Waimanalo Gulch on or after August 1, 2009.

Testimony in support of this measure was submitted by the Iron Workers Stabilization Fund. Testimony in opposition was submitted by the Kailua Neighborhood Board, Waltz Engineering, Inc., Koga Engineering and Construction, Inc., Dorvin D. Leis Company, Inc., and S&M Sakamoto, Inc.

Your Committees have amended this measure by replacing its contents with those contained in proposed S.B. No. 701, H.D. 1, which was circulated prior to the hearing. As amended the measure:

- (1) Deletes the language prohibiting the construction or expansion of solid waste landfills on the "leeward coast of Oahu from Kaena Point to Waimanalo gulch" and replaces that language with a prohibition on the construction or expansion of landfills in the Ewa, Waianae, Waialua, Koolauloa, and Koolaupoko districts;
- (2) Specifies that the measure is not intended to apply to the expansion of a municipal solid waste landfill in these districts, including the Waimanalo Gulch Sanitary Landfill; and
- (3) Specifies that the term "new solid waste landfill" does not include the Waimanalo Gulch Sanitary Landfill.

Testimony in support of the intent of the proposed S.B. No. 701, H.D. 1, was submitted by one concerned individual. Testimony in opposition was submitted by the Department of Health, City and County of Honolulu Department of Environmental Sciences, Windward Ahupua'a Alliance, and PVT Land Company.

Your Committees have further amended the measure to clarify the language.

Your Committees find that that the overarching intent of this measure is to limit the construction of any new or expansion of existing solid waste landfills. Your Committees further find that continuing the present landfill based approach to solid waste management is not sustainable. A paradigm shift is needed in waste management practices throughout the State. Your Committees acknowledge that there are very strong opinions on both sides of this issue and find that further discussion of this measure during the legislative session is needed to move toward a sustainable approach to solid waste disposal.

Further, your Committees note their concern over the specific exemption of the Waimanalo Gulch Sanitary Landfill from the prohibition in S.B. No. 701, H.D. 1. Your Committees are unclear whether Waimanalo Gulch Sanitary Landfill is the only landfill that falls within the exception for expanding existing municipal solid waste landfills. Thus, it is unclear whether this exemption creates a "class of one" that may make this measure inconsistent with article XI, section 5 of the Hawaii state constitution, which limits the exercise of legislative power over state lands to the enactment of general laws. Your Committees urge the Committee on Judiciary to consider and address this issue.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 701, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 701, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1289 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 536**

The purpose of this bill is to help preserve the quality of the night sky for its cultural, scientific, and environmental values by directing the Department of Business, Economic Development, & Tourism (DBEDT) to establish a temporary advisory committee to develop a statewide starlight reserve strategy and suggest necessary legislation including an intelligent statewide lighting law.

DBEDT, the University of Hawaii (UH) at Manoa, Office of Hawaiian Affairs, and Windward Ahupuaa Alliance supported this bill. The Office of Aerospace Development provided comments.

Your Committees note that while this bill does not contain an appropriation, a funding mechanism may be required for the effective operation of the Temporary Advisory Committee.

Your Committees have amended this bill by:

- (1) Changing the composition of the Temporary Advisory Committee to:
  - (A) Specify that Directors or their designees serve as representatives from specific state departments;
  - (B) Remove representatives from the Office of Aerospace Development and Hawaii Tourism Authority;
  - (C) Include the Comptroller or the Comptroller's designee; and
  - (D) Specify that the representative from UH must be the Director of the Institute for Astronomy or the director's designee;
- (2) Changing the effective date to June 30, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 536, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 536, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1290 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 1008**

The purpose of this measure is to revise certain state water quality standards for inland and marine recreational waters and for toxic pollutants.

This measure also establishes criteria for all priority and non-priority pollutants and provides that, when there is no nationally recommended criterion promulgated for a priority or non-priority pollutant, relevant provisions in chapter 11-54, Hawaii Administrative Rules, relating to that pollutant shall not be repealed or deemed inconsistent and shall remain in effect.

Comments on this measure were submitted by the Department of Health and the City and County of Honolulu Department of Environmental Services.

Your Committees find that it is desirable to conform the State's water quality standards for toxic pollutants to the national criteria currently recommended by the Environmental Protection Agency. Bacteria indicators for recreational waters also should be consistent with Environmental Protection Agency standards. Your Committees further find that an aggressive approach to water quality standards for toxic pollutants is needed to encourage the timely application of those standards. The adoption of these standards is important to the State's economic and social development, as well as protection of our natural resources. Because the Department of Health has failed to adopt, in a timely manner, administrative rules to provide water quality standards, your Committees believe that using this measure to adopt such standards is necessary to protect our inland and marine waters.

Your Committees have amended this measure by:

- (1) Replacing its contents with those of House Bill No. 834, H.D. 2;
- (2) Changing "chromium IV" to "chromium VI" in the list of priority toxic pollutants;
- (3) Clarifying the applicable water quality standards by inserting a table of the numeric standards for toxic pollutants applicable to all waters;
- (4) Requiring the repeal of each numeric standard for a toxic pollutant as that numeric standard is adopted by rule, pursuant to chapter 91, Hawaii Revised Statutes, by the Department of Health;
- (5) Providing for the repeal the Act on June 30, 2011; and
- (6) Making technical nonsubstantive amendments for the purposes clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1008, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1008, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.  
(Representative Thielen voted no.)

**SCRep. 1291 Energy & Environmental Protection/Economic Revitalization, Business, & Military Affairs on S.B. No. 1065**

The purpose of this bill is to exempt the Natural Energy Laboratory of Hawaii Authority (NELHA) from regulation by the Public Utilities Commission (PUC) for the sale or provision of electricity generated from renewable resources by NELHA to users located on lands leased from the State that are adjacent to the NELHA research and technology park.

NELHA supported this bill. The Consumer Advocate submitted comments.

Your Committees note that the Consumer Advocate indicated that it would not be appropriate for NELHA to be entirely excluded from PUC regulation if NELHA intends to use a utility's grid to transmit energy to its neighbors who lease State property. According to the Consumer Advocate, in this instance, NELHA should be required to meet the performance and safety standards required for transmission and distribution of energy. Your Committee notes that the provisions contained in this bill address this concern.

Your Committees have amended this measure by:

- (1) Changing its effective date to January 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1065, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1065, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Chang, Chong, Tokioka, Wakai, Ching and Thielen.

**SCRep. 1292 Energy & Environmental Protection/Agriculture on S.B. No. 512**

The purpose of this bill is to change the ethanol facility tax credit to the biofuel facility tax credit.

This bill also changes the amount of the biofuel facility tax credit from thirty per cent of the qualified biofuel facility's nameplate capacity to 40 cents per gallon if the nameplate capacity is greater than five hundred thousand gallons but less than fifteen million gallons. This bill further requires that the nameplate capacity be determined by the facility owner and not exceed the amount of production actually recorded during a consecutive seven-day period multiplied by fifty-two.

Your Committees received testimony in support of this bill from the United States Representative from the First District of Hawaii, Pacific Biodiesel, Hawaiian Electric Company Utilities, Hawaii Democratic Party, Maui Brewing Co., OmniGreen Renewables, Blue Planet Foundation, Hawaii BioEnergy, and three individuals. The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of the bill and the Department of Taxation took no position. Pacific West Energy LLC testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committees find that Act 289, Session Laws of Hawaii 2000, established an investment tax credit to encourage the construction of an ethanol production facility in Hawaii. Act 140, Session Laws of Hawaii 2004, changed the credit from an investment tax credit to a facility tax credit.

Your Committees find that the existing tax credit was designed to address the capitalization costs of ethanol production and thus may not be entirely appropriate or applicable to other biofuel production. Biodiesel and ethanol, while both biofuels, are completely different products, with significantly different economics and markets. To simply add biodiesel to the carefully crafted Hawaii ethanol facility tax credit bears no relation to the relative economics of the two products and would not be good public policy, with one, ethanol, being carefully evaluated and the other, biodiesel, not being evaluated.

Producing ethanol is a much different and more costly process than producing biodiesel, involving a biological process, fermentation, along with distillation and dehydration. Biodiesel production is a simpler, lower cost process, involving separating vegetable oil into biodiesel and glycerin by adding a transesterification agent, usually methanol, and a catalyst. The capital and operating costs are completely different. For example, a fifteen million gallon per annum sugarcane-based ethanol facility has a capital cost (excluding cogeneration) of over \$50,000,000, more than \$3 per gallon of installed capacity. A fifteen million gallon biodiesel facility is likely to cost between \$7,500,000 and \$10,000,000, less than \$1 per gallon of installed capacity (the industry standard today is 50 cents per gallon of installed capacity, excluding seed crushing). Biodiesel plants are typically modular and prefabricated and fit in forty-foot containers. Most of the capital for local biodiesel plants under the proposed measure would likely be for storage tanks for oil feedstocks.

Your Committees wish to convey to your Committee on Finance, to which this bill is referred, that it is not your Committees' intent for the tax credit incentive to be overly generous with respect to biofuel production. While it is your Committees' intent to support and expedite the implementation of biofuel production in Hawaii, your Committees do not support a total subsidization of biofuel production through the biofuel facility tax credit.

Under the existing ethanol facility tax credit, an ethanol facility will not recover its capital costs from the credit over the eight years that the incentive would be paid. As proposed in this measure, a biodiesel producer could recover one hundred per cent of capital costs in refundable tax credits within two years. As a result, over the eight years, biodiesel producers would likely receive over four times their capital investment in refundable tax credits.

In addition, your Committees note that the Senate Draft of this bill added a requirement that the qualifying biofuel production facility be located within the State and utilize locally grown feedstock for at least seventy-five per cent of its production output. Your Committees find that this requirement may be constitutionally objectionable as a restraint of interstate commerce, by limiting the use of feedstock not grown in Hawaii.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 512, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Herkes.

**SCRep. 1293      Judiciary on S.B. No. 109**

The purpose of this bill is to help coordinate inter-state cooperative efforts and mutual assistance in juvenile crime prevention by:

- (1) Enacting the new Interstate Compact for Juveniles which remedies problems with the current compact by adding provisions for meaningful enforcement, administration, finances, communications, data collection and exchange, and training; and
- (2) Appropriating funds for Hawaii's share of administrative expenses.

The Office of Youth Services, Judiciary, Prosecuting Attorney's Office of Hawaii County, and Special Counsel for Interstate Compacts of the Council of State Governments supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 109, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1294      Judiciary on S.B. No. 851**

The purpose of this bill is to bring the Child Support Enforcement Agency (CSEA) into compliance with federal law and to increase agency efficiency by:

- (1) Clarifying that all income withholding payments be sent to CSEA or another state's enforcement agency;
- (2) Requiring the custodial parent to elect to receive child support payments through an electronic benefits transfer system or direct deposit, and if such election is not made, allowing CSEA to determine a method that complies with Title IV-D of the Social Security Act;
- (3) Allowing an electronic copy or facsimile of a signature on certified mailers to serve as proof of service for certified mail;
- (4) Clarifying that child support enforcement agencies other than CSEA may enforce a child support lien;
- (5) Requiring payment to an entity seeking to enforce a child support lien once that entity has complied with state procedural rules; and
- (6) Requiring CSEA to use only the last four digits of the obligor's Social Security Number.

The Department of the Attorney General, Department of Human Services, and a concerned individual supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 851, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1295      Judiciary on S.B. No. 912**

The purpose of this bill is to ensure compliance with federal Title IV-E permanency hearing requirements by:

- (1) Requiring that a permanency hearing be held within 12 months of a child's initial date of entry into out-of-home care or within 30 days of a judicial determination that a child is an abandoned infant or that aggravated circumstances are present and reasonable efforts to reunify a child and family are not required;
- (2) Requiring that the status of the child be reviewed at least every 12 months thereafter to determine whether the child is receiving appropriate services, that case plans are being properly implemented, and that plans are made that will lead to permanent placement; and
- (3) Delineating permanency hearing procedures.

The Department of Human Services supported this bill. The Judiciary opposed this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 912, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1296      Judiciary on S.B. No. 1352**

The purpose of this bill is to reduce the backlog in land court recording and registration by:

- (1) Transferring fee simple time share interest registration from the Land Court System to the Regular System, and authorizing the Registrar of the Bureau of Conveyances (Bureau) to accept, in the Regular System, electronic instruments in lieu of original instruments with original signatures;
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to establish a \$5 transaction fee for services rendered relating to automation; and
- (3) Requiring the Bureau to implement a pilot program for an integrated electronic filing system for electronic recordation of fee time share interests.

ARDA-Hawaii, PAHIO Development, Inc., Starwood Vacation Ownership, Wyndham Worldwide, Hawaii Association of REALTORS, and Hawaii Land Title Association supported this bill. DLNR supported the intent of this bill. Numerous concerned individuals opposed this measure. The Hawaii Government Employees Association submitted comments.

Your Committee has amended this measure by:

- (1) Amending the Bureau of Conveyances Special Fund (Special Fund) statute to reflect the \$650,000 increase in the ceiling of the Special Fund; and
- (2) Making other technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1352, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1297      Higher Education on S.B. No. 504**

The purpose of this bill is to support energy efficiency by appropriating funds to the University of Hawaii at Manoa (UH-Manoa) to establish a sustainability internship program as part of the Sustainable Saunders project.

The Associated Students of the UH-Manoa, InterfaceFLOR LLC, Zero Emissions Leasing LLC, and many concerned individuals supported this bill. The University of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 504, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki, Shimabukuro and Finnegan.

**SCRep. 1298      Higher Education on S.B. No. 713**

The purpose of this bill is to protect Hawaii's environment and provide much-needed short-term employment in these difficult economic times by appropriating funds for the continuation of the Emergency Environmental Workforce.

The University of Hawaii (UH) and Research Corporation of the UH (RCUH) supported the intent of this bill. The Nature Conservancy offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the employees of the Emergency Environmental Workforce Program (Program) shall be employees of RCUH for no fewer than 12 months, as opposed to three-month contract employees;
- (2) Specifying that the employees shall be subject to RCUH employment policies and procedures, except for any applicable unemployment insurance coverage which shall be the responsibility of the State;
- (3) Requiring that any procurement actions related to the Program be subject to the applicable policies of RCUH; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 713, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Saiki and Finnegan.

**SCRep. 1299 Hawaiian Affairs on S.B. No. 1334**

The purpose of this bill is to establish and provide for the development, operation, and management of a Museum for Hawaiian Music and Dance (Museum) by:

- (1) Authorizing the State Foundation on Culture and the Arts (SPCA), in coordination with the Department of Accounting and General Services, to contract with a nonprofit entity to develop, operate, and manage the Museum;
- (2) Specifying the duties and powers of the nonprofit entity;
- (3) Requiring SFCA to establish a Design Advisory Committee to advise the nonprofit entity on the development, operation, and management of the Museum; and
- (4) Appropriating funds from the State's general revenues to finance the design and an environmental assessment related to construction of the Museum.

The Hawaii State Foundation on Culture and the Arts, Office of Hawaiian Affairs, Hawaiian Music Hall of Fame, Chamber of Commerce of Hawaii, and several concerned individuals supported this measure. The Kaka'ako Makai Community Planning Advisory Council supported the intent of this bill. The Department of Accounting and General Services testified in opposition to the measure. Comments were provided by the Hawai'i Tourism Authority.

Your Committee finds that the living museum established by this measure will not only draw more visitors to our islands, but will also enrich our community by providing a center to perpetuate and preserve Hawaiian music and dance, through education, practice, and performance.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1334, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Yamane.

**SCRep. 1300 Hawaiian Affairs on S.B. No. 602**

The purpose of this bill is to allow the Works of Art Special Fund (Special Fund) to support a broader range of works of art, in locations in addition to state buildings, by:

- (1) Defining "works of art" to include not only "arts" as defined in the Foundation on Culture and the Arts law, but also performing arts and any process by which arts and live performances can be made into a permanent display; and
- (2) Allowing the Special Fund to be used for:
  - (A) Costs related to the acquisition of works of art and activities related to the exhibition, upkeep, and restoration of works of art, for all state buildings and for Iolani Palace and the Bernice Pauahi Bishop Museum; and
  - (B) Costs related to the creation of an electronic, digital, or other permanent record of works of art.

Iolani Palace and Bishop Museum supported this bill. The American Institute of Architects opposed this measure. The Department of Budget and Finance and a concerned individual commented on this bill.

Your Committee has made technical, nonsubstantive amendments to this bill for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 602, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Yamane and Ward.

**SCRep. 1301 Hawaiian Affairs on S.B. No. 1083**

The purpose of this bill is to allow for greater representation of the Hawaiian community in the implementation of the Hawaiian Burial Councils law by including Alu Like, Inc., Association of Hawaiian Civic Clubs, Council for Native Hawaiian Advancement, Kanaka Council, and representatives of

the Hawaiian benevolent societies and the Hawaiian royal orders in the list of organizations and persons that must be consulted by the Department of Land and Natural Resources (DLNR) before developing:

- (1) A list of candidates for appointment to the Island Burial Councils;
- (2) Criteria to determine whether to relocate or preserve a Hawaiian burial site in place; and
- (3) Criteria for determining whether to remove multiple skeletons from the location at which they were discovered.

The Office of Hawaiian Affairs supported this bill. DLNR supported this bill with amendments. Kawaihapai Ohana and a concerned individual supported this measure with reservations. Kanaka Council Moku O Keawe opposed this bill. A concerned individual commented on this measure.

Your Committee has amended this bill to include in the list of organizations that should be consulted by DLNR, the following organizations with expertise in the handling of iwi:

- (1) The Kamakakuokalani Center for Hawaiian Studies at the University of Hawaii,
- (2) The Historic Preservation Division of DLNR; and
- (3) The Island Burial Councils.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1083, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Yamane.

**SCRep. 1302 Hawaiian Affairs/Housing on S.B. No. 1268**

The purpose of this bill is to encourage and support the development of affordable housing by the Department of Hawaiian Home Lands (DHHL) by:

- (1) Authorizing the counties to issue affordable housing credits to, and approve a transfer or assignment of, those credits by DHHL; and
- (2) Providing that the credits are to be issued on a one-for-one basis and may be applied by the developer who built the affordable units to any project within the same county where the credits were earned to satisfy county affordable housing obligations.

DHHL, the Sovereign Councils of the Hawaiian Homelands Assembly, Hawaii Developers' Council, Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Gentry Homes, Ltd., Council for Native Hawaiian Advancement, Pacific Resource Partnership, Maluohai Residents' Association, and a concerned individual supported this bill. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. A member of the Maui County Council commented on this bill.

Your Committees have concerns that allowing DHHL's housing developments to satisfy the affordable housing requirements of other developers would result in the segregation of low-income housing in certain areas of the islands, or on certain islands, defeating the purpose of integrating affordable housing with other types of new developments throughout the state. In addition, it is unclear from the new language whether the credit requires county approval.

Accordingly, this bill has been amended by:

- (1) Clearly restricting credits to the county in which the corresponding DHHL development is located;
- (2) Clarifying that the county has the power to authorize the credit, and deny or approve any transfer of the credit by DHHL; and
- (3) Providing that this measure will sunset on July 1, 2011.

It is your Committees' intention that affordable housing developed under this bill should not be segregated on a single island, and that each island should share equally in the benefits and burdens of both luxury and affordable developments.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1268, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1268, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Ito, Luke, Morita, Sagum, Ching and Thielen.

**SCRep. 1303 Health on S.B. No. 932**

The purpose of this bill is to stifle the spread of human immunodeficiency virus (HIV) by:

- (1) Expanding routine HIV testing by health care providers to improve early diagnosis of HIV;
- (2) Requiring health care providers to obtain written informed consent prior to testing for HIV; and
- (3) Providing for HIV counseling if there is a reactive, indeterminate, or confirmed positive result from an HIV test.

The Department of Health (DOH), Hawaii Medical Association, Waikiki Health Center, and Gregory House Programs supported this bill. Healthy Mothers Healthy Babies Coalition of Hawaii supported the intent of this measure. The American Civil Liberties Union of Hawaii opposed this bill. The Life Foundation and a concerned individual submitted comments.



Your Committee has amended this bill by:

- (1) Providing that free and anonymous HIV testing may be available to a patient through DOH and community agencies;
- (2) Removing the requirement that health care providers must obtain written informed consent prior to testing for HIV;
- (3) Requiring DOH to make available to health care providers, information on accessing anonymous HIV testing that can be provided to patients;
- (4) Authorizing, rather than requiring, DOH to adopt rules establishing standards and procedures regarding HIV testing;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 932, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1304 Health on S.B. No. 940**

The purpose of this bill is to ease financial burdens incurred by the State from the cost of collection services to collect payment from patients whose health insurance companies do not have a contract with the Department of Health (DOH) by requiring the insurance company to provide direct payment for the provision of pre-hospital ambulance treatment and transport services.

DOH and the Department of Commerce and Consumer Affairs supported this bill. Hawaii Medical Service Association opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring insurance entities contracting with the State to provide Medicaid coverage to enter into written contracts with a minimum of 50 percent of hospitals and providers in their coverage area;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 940, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1305 Education on S.B. No. 496**

The purpose of this bill is to clarify the functions, duties, and roles of the Charter School Review Panel (Panel) and the Board of Education (BOE) in the administration and operation of charter schools.

The Office of Hawaiian Affairs, Charter School Administrative Office (CSAO), Hookakoo Corporation, Innovations Public Charter School, Kawaikini New Century Charter School, Kona Pacific Public Charter School, Hawaii Charter Schools Network, Hawaii Technology Academy, Kamehameha Schools, and many concerned individuals supported this bill. Connections Public Charter School supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Board of Education, Charter School Review Panel, and a concerned individual offered comments.

Your Committee has amended this bill by, among other things:

- (1) Clarifying that charter schools shall comply with BOE and Department of Education (DOE) directives made in BOE's and DOE's role as the state education agency, as agreed upon in a Memorandum of Agreement between BOE and the Panel, that is valid for a period of one year, identifying those directives;
- (2) Eliminating the per-pupil method of funding for charter schools, thus requiring charter schools to follow the same budgetary request process as other state agencies;
- (3) Requiring the budgetary request submitted by the CSAO to the Director of Finance to expressly identify all means of financing;
- (4) Removing the requirement that DOE retain five percent of the charter school's federal grants and subsidies as an administrative fee, and deleting the repeal of the requirement that the charter school reimburse DOE for the actual costs of the administrative services in an amount that shall not exceed six and one-half percent of the charter school's federal grants and subsidies if administrative services related to federal grants and subsidies are provided to the charter school by DOE;
- (5) Removing the requirement that the charter school shall reimburse DOE for an administrative fee in the amount of five percent of the charter school's federal grants and subsidies, and deleting the repeal of the requirement that the charter school shall reimburse DOE for the actual costs of the administrative services in an amount that shall not exceed six and one-half percent of the supplemental grant for which the services are used;
- (6) Deleting the amendment from January 1 to June 30 as the date by which the CSAO must retain the remaining ten percent of a charter school's allocation as a contingency balance;

- (7) Repealing the requirement that BOE adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, for placing charter schools on probation and for revoking a charter;
- (8) Inserting a blank appropriation for fiscal year 2009-2010 for charter school operations;
- (9) Changing its effective date to upon its approval; provided that section 9 shall take effect on July 1, 2009; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 496, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1306 Legislative Management on S.B. No. 389**

The purpose of this bill is to ensure an efficient and fiscally responsible process for the allotment of capital improvement project funds.

This bill requires the Legislative Reference Bureau (LRB) to review the memorandum of understanding (MOU) between the Department of Education (DOE) and the Department of Budget and Finance (B&F) for the allotment of capital improvement projects, with the goal of replicating the MOU process for use by other state agencies.

DOE, B&F, and LRB offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 389, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1307 Legislative Management on S.B. No. 754**

The purpose of this bill is to direct the Legislative Reference Bureau (LRB) to:

- (1) Review federal, state, and county laws relating to affordable housing to identify strategies to strengthen Hawaii's housing laws;
- (2) Seek input from stakeholders; and
- (3) Submit a report of its findings to the 2010 Legislature.

The Land Use Research Foundation of Hawaii supported this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure. LRB and a concerned individual offered comments.

Your Committee finds that the Affordable Housing Regulatory Barriers Task Force (Task Force), which completed its report in December 2008, has worked for the past 18 months to identify statutory and regulatory barriers to affordable housing development.

Accordingly, your Committee has amended this bill by:

- (1) Directing LRB to review the Task Force's report;
- (2) Narrowing the focus of LRB's study to state laws;
- (3) Inserting an effective date of July 1, 2010, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 754, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1308 Legislative Management on S.B. No. 1148**

The purpose of this bill is to clarify the provisions of the comprehensive offender reentry system by, among other things:

- (1) Requiring the Department of Public Safety (DPS) to develop a comprehensive written reentry plan for each individual entering a correctional facility within 90 days of the offender's sentencing;
- (2) Requiring that, by December 31, 2010, the maximum number of Hawaii inmates housed in out-of-state prisons shall not exceed 2,000;
- (3) Repealing the Legislative Oversight Committee on July 1, 2009;
- (4) Establishing a temporary Reentry Commission (Commission) to monitor and review the comprehensive offender reentry program;
- (5) Limiting certain programs, including a quarterly rotation system, for transitioning out-of-state inmates back to Hawaii only when there is sufficient facility program and bed space to safely accommodate their return; and

- (6) Prohibiting purchase of service contracts for activities that allow ex-offenders to continue to contact incarcerated mentors through the use of various technologies.

The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, Goodwill Industries of Hawaii, Inc., Hepatitis Support Network of Hawaii, Na Koa Ikaika, and several concerned individuals supported this bill. One concerned individual supported this measure with amendments. DPS offered comments.

Your Committee has amended this bill by:

- (1) Leaving blank the maximum number of Hawaii inmates housed in out-of-state prisons by December 31, 2010;
- (2) Leaving blank the number of days for DPS to develop a comprehensive reentry plan for each individual entering a correctional facility;
- (3) Directing the Commission to work with DPS in carrying out the Commission's duties;
- (4) Appropriating unspecified funds to support the efforts of the Commission; and
- (5) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1148, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1148, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1309 Health on S.B. No. 44**

The purpose of this bill is to support the healthy financial operations of the State's community hospital system by reducing the Hawaii Health Systems Corporation's (HHSC) debt obligations by:

- (1) Reducing HHSC's debt obligations by transferring back to the Department of Health (DOH) the amount of the liabilities that the community hospitals had accrued while operating within the division of community hospitals of DOH prior to the establishment of HHSC on July 1, 1996;
- (2) Requiring HHSC to assume all liabilities or debts or other obligations accrued by the community hospitals beginning on July 1, 1996, and thereafter; and
- (3) Clarifying HHSC's responsibility for making payments into the employees' retirement system funds for its employees.

HHSC supported this bill. The Department of Budget and Finance and the United Public Workers, AFSCME, Local 646, AFL-CIO opposed this measure.

Your Committee has amended this bill by, among other things:

- (1) Requiring HHSC with the assistance of DOH to determine the amount of liability established prior to July 1, 1996 that still exists;
- (2) Providing that HHSC must explain why HHSC has been unable to address these liabilities in the years since it took over running the State's community hospitals;
- (3) Requiring the Auditor contract with an independent auditing entity to perform annual management and performance audits of HHSC that will include a full evaluation of all HHSC assets, liabilities, and contracts that deal with the management, running, and provision of services by HHSC; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1310 Public Safety on H.R. No. 67**

The purpose of this resolution is to ensure that the rights of patients who are qualified to possess medical cannabis are upheld by law enforcement officials by requesting state and local law enforcement officers to abide by state laws relating to medical use of cannabis.

The Representative of the 11<sup>th</sup> District, The Drug Policy Action Group, The Drug Policy Forum, American Civil Liberties Union of Hawaii, and several concerned individuals supported this resolution. The Honolulu Police Department, Maui Police Department, Honolulu Department of the Prosecuting Attorney, and Maui Department of the Prosecuting Attorney opposed this measure. The Department of Public Safety (PSD) submitted comments.

Your Committee finds that research has discovered beneficial uses for cannabis in treating or alleviating pain or other symptoms associated with certain debilitating illnesses. Requests to further study and develop these medical benefits are increasing throughout the nation and gaining a greater level of respect and acknowledgement as a legitimate medical remedy at all levels of academia and government. President Barack Obama recognizes cannabis' legitimate use as a pain medication and even stated: "My attitude is if the science and the doctors suggest that the best palliative care and the way to relieve pain and suffering is medical marijuana, then that's something I'm open to," while campaigning in November 2007. The President's campaign statements have become policy as noted when U.S. Attorney General Eric Holder stated in February that the Drug Enforcement Administration would end its raids on state-approved marijuana dispensaries.

Your Committee finds that a shift in attitude needs to be made by many people, including the general public and members of the law enforcement community, regarding the supply and use of medical cannabis. A valuable endeavor to pursue by those interested parties may be to follow recommendations made by several stakeholders to initiate and implement a summit on medical cannabis to bring together all of the interested parties to encourage open and healthy discussion of ideas on how to decriminalize the medical use of cannabis to ensure adequate supply for certified patients while deterring abuse and exploitation of such a policy.

Your Committee has amended this resolution by:

- (1) Urging rather than requesting local law enforcement officers to abide by state laws relating to the medical use of marijuana;
- (2) Replacing the term "marijuana" with "cannabis" to ensure it is understood that the substance referred to in this resolution is a medication;
- (3) Requesting the Attorney General to look into the benefits of transferring the program from PSD to the Department of Health; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.  
(Representative Pine voted no.)

**SCRep. 1311 Public Safety/Agriculture on H.R. No. 12**

The purpose of this resolution is to assist farmers who have been adversely impacted by the effects of vog on their crops by requesting the United States Department of Agriculture to provide federal aid to assist agricultural operations in vog-impacted areas in meeting their water needs.

The Department of Agriculture supported this resolution.

Your Committees have amended this resolution by including the members of Hawaii's congressional delegation as recipients of certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 12, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 12, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Souki, Wakai, Wooley, Yamashita and Pine.

**SCRep. 1312 Public Safety/Agriculture on H.C.R. No. 8**

The purpose of this concurrent resolution is to assist farmers who have been adversely impacted by the effects of vog on their crops by requesting the United States Department of Agriculture to provide federal aid to assist agricultural operations in vog-impacted areas in meeting their water needs.

The Department of Agriculture supported this concurrent resolution.

Your Committees have amended this concurrent resolution by including the members of Hawaii's congressional delegation as recipients of certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 8, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 8, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Souki, Wakai, Wooley, Yamashita and Pine.

**SCRep. 1313 Human Services/Health on H.R. No. 36**

The purpose of this resolution is to request that the Department of Human Services study the feasibility of implementing a smoking cessation benefit to Hawaii Quest Beneficiaries.

The Department of Human Services testified in opposition of this measure. The American Cancer Society, the March of Dimes, and the Coalition for Tobacco-Free Hawaii all submitted testimony in support of this measure.

Your Committees find that smoking remains a major health issue for Hawaii's people. According to the Department of Health, seventeen percent of adults and more than fourteen percent of high school students smoke cigarettes in Hawaii. Although the smoking rate among pregnant women remains relatively low at 7.1 percent, this high risk behavior impacts the lives of 1,200 babies each year. Smoking cessation programs would highly benefit Hawaii's population and reduce the harms that cigarettes impose on the people of Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 36 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1314 Human Services/Health on H.C.R. No. 45**

The purpose of this resolution is to request that the Department of Human Services study the feasibility of implementing a smoking cessation benefit to Hawaii Quest Beneficiaries.

The Department of Human Services testified in opposition of this measure. The American Cancer Society, the March of Dimes, and the Coalition for Tobacco-Free Hawaii all submitted testimony in support of this measure.

Your Committees find that smoking remains a major health issue for Hawaii's people. According to the Department of Health, seventeen percent of adults and more than fourteen percent of high school students smoke cigarettes in Hawaii. Although the smoking rate among pregnant women remains relatively low at 7.1 percent, this high risk behavior impacts the lives of 1,200 babies each year. Smoking cessation programs would highly benefit Hawaii's population and reduce the harms that cigarettes impose on the people of Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 45 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1315 Human Services/Health on H.C.R. No. 35**

The purpose of this resolution is to request the auditor to analyze a proposed measure to regulate home care agencies by the Department of Health.

Your Committees find that home care is a crucial component of the health care continuum. The need for home care is increasing along with Hawaii's aged and disabled population. Currently, home care agencies are not regulated or licensed in the State. Therefore, it is essential that home care workers are adequately trained and ethically responsible to ensure the best quality care for our kupuna.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 35 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1316 Agriculture on H.R. No. 91**

The purpose of this resolution is to assist farming operations on the island of Hawaii by requesting the Department of Agriculture (DOA) to consult with other public and private entities to develop a plan to optimize the use of the Kamuela Vacuum Cooling Plant.

Several concerned individuals supported this measure. DOA submitted comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey and Wakai.

**SCRep. 1317 Agriculture on H.C.R. No. 113**

The purpose of this concurrent resolution is to assist farming operations on the island of Hawaii by requesting the Department of Agriculture (DOA) to consult with other public and private entities to develop a plan to optimize the use of the Kamuela Vacuum Cooling Plant.

Several concerned individuals supported this measure. DOA submitted comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey and Wakai.

**SCRep. 1318 Human Services/Health on H.R. No. 55**

The purpose of this resolution is to recognize March as Adult Residential Care Home and Adult Foster Home Operators Month.

A concerned individual testified in support of this measure.

Your Committees find that a large segment of Hawaii's population is aging. By 2010, 1 in 4 persons in this State will be over the age of 60. With the rising cost of living, caring for an aging relative can be quite difficult especially in these tough economic times. Adult Care Home and Adult Foster Home Operators are crucial in helping families care for their kupuna.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 55 and recommend its adoption.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1319 Human Services/Health on H.C.R. No. 69**

The purpose of this resolution is to recognize March as Adult Residential Care Home and Adult Foster Home Operators Month.

A concerned individual testified in support of this measure.

Your Committees find that a large segment of Hawaii's population is aging. By 2010, 1 in 4 persons in this State will be over the age of 60. With the rising cost of living, caring for an aging relative can be quite difficult especially in these tough economic times. Adult Care Home and Adult Foster Home Operators are crucial in helping families care for their kupuna.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 69 and recommend its adoption.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1320 Human Services/Health on H.R. No. 8**

The purpose of this resolution is to increase awareness about dating violence among teens by designating the first week in February 2010 as "Hawaii Teen Dating Violence Awareness and Prevention Week."

A concerned individual testified in support of this measure.

Your Committees recognizes that violence in teenage relationships happens more often than not. It has been shown that one in five teenagers in a serious relationship reports having been hit, slapped, or pushed by a partner.

Furthermore, your Committees find that the severity of intimate partner violence has been observed to be greater in cases in which a pattern of violence has been established in adolescence. The first step in reducing intimate partner violence among teens is to raise awareness about the issue and educate the public that teen dating violence does occur. By educating the youth about this issue, hopefully, we can prevent adult domestic violence from occurring in the future.

Your Committees have amended this resolution by removing the year 2010.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 8, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 8, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1321 Human Services/Health on H.C.R. No. 4**

The purpose of this concurrent resolution is to increase awareness about dating violence among teens by designating the first week in February 2010 as "Hawaii Teen Dating Violence Awareness and Prevention Week."

A concerned individual testified in support of this measure.

Your Committees recognizes that violence in teenage relationships happens more often than not. It has been shown that one in five teenagers in a serious relationship reports having been hit, slapped, or pushed by a partner.

Furthermore, your Committees find that the severity of intimate partner violence has been observed to be greater in cases in which a pattern of violence has been established in adolescence. The first step in reducing intimate partner violence among teens is to raise awareness about the issue and educate the public that teen dating violence does occur. By educating the youth about this issue, hopefully, we can prevent adult domestic violence from occurring in the future.

Your Committees have amended this concurrent resolution by removing the year 2010.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 4, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 4, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1322 Education on H.R. No. 76**

The purpose of this measure is to request that the United States government recognize gifted and talented students in the category of special needs.

Two concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 76 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Saiki, Ching and Finnegan.

**SCRep. 1323 Education/Health on H.R. No. 47**

The purpose of this measure is to request the Board of Education to develop a policy to include vegetarian and vegan meal options in all school menu plans. The Department of Education is requested to post on its website a list of schools that have vegetarian and vegan menu options.

The Hawaii Medical Service Association (HMSA) and several concerned individuals testified in support of the measure. The Department of Education offered comments.

Your Committee has amended this measure by:

- (1) Removing all instances of "vegan" from the measure; and
- (2) Changing the title of the resolution to read, "REQUESTING THE BOARD OF EDUCATION TO DEVELOP A POLICY TO OFFER VEGETARIAN MEALS ON A REGULAR BASIS IN ALL SCHOOL MENU PLANS."

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 47, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 47, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Manahan, Saiki, Ching and Finnegan.

**SCRep. 1324 Education/Health on H.C.R. No. 59**

The purpose of this measure is to request the Board of Education to develop a policy to include vegetarian and vegan meal options in all school menu plans. The Department of Education is requested to post on its website a list of schools that have vegetarian and vegan menu options.

The Hawaii Medical Service Association (HMSA) and several concerned individuals testified in support of the measure. The Department of Education offered comments.

Your Committee has amended this measure by:

- (1) Removing all instances of "vegan" from the measure; and
- (2) Changing the title of the concurrent resolution to read, "REQUESTING THE BOARD OF EDUCATION TO DEVELOP A POLICY TO OFFER VEGETARIAN MEALS ON A REGULAR BASIS IN ALL SCHOOL MENU PLANS."

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 59, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 59, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Manahan, Saiki, Ching and Finnegan.

**SCRep. 1325 Education/Health on H.R. No. 68**

The purpose of this measure is to request that the Department of Health (DOH), in coordination with the Department of Education (DOE), provide a comprehensive report of post Consent Decree child and adolescent mental health services and funding.

The Special Education Advisory Council, Mental Health America of Hawaii, Hawaii Family Forum, Roman Catholic Church of Hawaii, and Community Children's Council of Hawaii testified in support of this measure. DOE and DOH testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Clarifying that DOH, not DOE, is responsible for writing and submitting the comprehensive report of post Consent Decree child and adolescent mental health services and funding.
- (2) Clarifying that DOE is requested to aid DOH in its efforts to create the comprehensive report; and
- (3) Changing the title of the resolution to read, "REQUESTING THAT THE DEPARTMENT OF HEALTH PROVIDE A COMPREHENSIVE REPORT OF POST FELIX CONSENT DECREE CHILD AND ADOLESCENT MENTAL HEALTH SERVICES AND FUNDING."

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 68, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 68, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Manahan, Saiki, Ching and Finnegan.

**SCRep. 1326 Education/Health on H.C.R. No. 86**

The purpose of this measure is to request that the Department of Health (DOH), in coordination with the Department of Education (DOE), provide a comprehensive report of post Consent Decree child and adolescent mental health services and funding.

The Special Education Advisory Council, Mental Health America of Hawaii, Hawaii Family Forum, Roman Catholic Church of Hawaii, and Community Children's Council of Hawaii testified in support of this measure. DOE and DOH testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Clarifying that DOH, not DOE, is responsible for writing and submitting the comprehensive report of post Consent Decree child and adolescent mental health services and funding.
- (2) Clarifying that DOE is requested to aid DOH in its efforts to create the comprehensive report; and
- (3) Changing the title of the concurrent resolution to read, "REQUESTING THAT THE DEPARTMENT OF HEALTH PROVIDE A COMPREHENSIVE REPORT OF POST FELIX CONSENT DECREE CHILD AND ADOLESCENT MENTAL HEALTH SERVICES AND FUNDING."

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 86, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 86, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Manahan, Saiki, Ching and Finnegan.

**SCRep. 1327          Housing on H.C.R. No. 63**

The purpose of this concurrent resolution is to urge the Governor to include the Kukui Gardens affordable housing project in the State's list of shovel-ready projects for the federal economic stimulus plan.

The Office of Hawaiian Affairs, FACE - Faith in Action for Community Equity, FACE Oahu, and the Kukui Garden's Resident Association supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1328          Housing on H.R. No. 167**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on establishing preferences for veterans and their surviving spouses in affordable housing and other state and county programs.

The Legislative Reference Bureau (LRB) commented on this concurrent resolution.

Your Committee finds that a preference for disabled veterans, their widows, and dependent parents, in the selection of tenants for state low-income housing projects, already exists under state law. Information about this law, however, does not appear to be widely-known. Accordingly, your Committee has amended this resolution to call for the dissemination of information about this law to the public, instead of requesting LRB to conduct a study on similar programs.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 167, as amended herein, and recommends that it be referred to the Committees on Human Services and Health in the form attached hereto as H.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1329          Housing on H.C.R. No. 205**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on establishing preferences for veterans and their surviving spouses in affordable housing and other state and county programs.

The Legislative Reference Bureau (LRB) commented on this concurrent resolution.

Your Committee finds that a preference for disabled veterans, their widows, and dependent parents, in the selection of tenants for state low-income housing projects, already exists under state law. Information about this law, however, does not appear to be widely-known. Accordingly, your Committee has amended this concurrent resolution to call for the dissemination of information about this law to the public, instead of requesting LRB to conduct a study on similar programs.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205, as amended herein, and recommends that it be referred to the Committees on Human Services and Health in the form attached hereto as H.C.R. No. 205, H.D. 1.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1330          Labor & Public Employment on H.R. No. 168**

The purpose of this resolution is to request a joint agency study on the impact of illegal immigration on Hawaii's economy and public resources.

The Hawaii Farm Bureau, Hawaii Building and Construction Trades Council, AFL-CIO, and the Pacific Resource Partnership testified in support of this measure.

Your Committee has amended this measure by:

- (1) Adding the Department of Agriculture to the agencies requested to prepare and conduct a joint study;
- (2) Making the Department of Labor and Industrial Relations (DLIR) the lead agency to conduct a joint study on the impact of illegal immigration in Hawaii; and
- (3) Making DLIR the lead agency of the task force to submit a report of the findings and recommendations of the task force.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 168, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 168, H.D. 1.

Signed by all members of the Committee except Representatives M. Lee, Souki and Yamashita.



**SCRep. 1331 Labor & Public Employment on H.C.R. No. 207**

The purpose of this resolution is to request a joint agency study on the impact of illegal immigration on Hawaii's economy and public resources.

The Hawaii Building and Construction Trades Council, AFL-CIO and the Pacific Resource Partnership testified in support of this measure.

Your Committee has amended this measure by:

- (1) Adding the Department of Agriculture to the agencies requested to prepare and conduct a joint study;
- (2) Making the Department of Labor and Industrial Relations (DLIR) the lead agency to conduct a joint study on the impact of illegal immigration in Hawaii; and
- (3) Making DLIR the lead agency of the task force to submit a report of the findings and recommendations of the task force.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 207, H.D. 1.

Signed by all members of the Committee except Representatives M. Lee, Souki and Yamashita.

**SCRep. 1332 Economic Revitalization, Business, & Military Affairs on H.R. No. 136**

The purpose of this resolution is to provide efficient government services benefiting National Guard members by requesting the Department of Accounting and General Services (DAGS) to implement, in accordance with Act 31, Session Laws of Hawaii 2007, an electronic direct deposit system for members of the Hawaii National Guard.

DAGS supported the intent of this measure.

Your Committee finds that electronic direct deposit is the norm in government payroll. The State should, as required by law, move forward toward implementing electronic direct deposit to benefit Hawaii National Guard members on active duty.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

**SCRep. 1333 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 169**

The purpose of this concurrent resolution is to provide efficient government services benefiting National Guard members by requesting the Department of Accounting and General Services (DAGS) to implement, in accordance with Act 31, Session Laws of Hawaii 2007, an electronic direct deposit system for members of the Hawaii National Guard.

DAGS supported the intent of this measure.

Your Committee finds that electronic direct deposit is the norm in government payroll. The State should, as required by law, move forward toward implementing electronic direct deposit to benefit Hawaii National Guard members on active duty.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 169 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

**SCRep. 1334 Housing/Water, Land, & Ocean Resources on H.R. No. 266**

The purpose of this resolution is to request the Honolulu Department of Transportation Services, in collaboration with the Honolulu Department of Customer Services, state Department of Transportation, and Hawaii Public Housing Authority to assist in resolving issues related to homeless individuals living in abandoned vehicles.

The Representative from the Twenty-third District supported this resolution.

Your Committees find that complaints from residents and business owners about homeless individuals living in abandoned vehicles occur in neighborhoods throughout the City and County of Honolulu. Accordingly, your Committees have amended this resolution to:

- (1) Clarify that the issue and its requested resolution apply to all of Honolulu, and is not just limited to the Queen Street area;
- (2) Suggest the possibility of amending the definition of "abandoned vehicle" to include parked vehicles with the appearance of an individual using the vehicle as a residence; and
- (3) Include the Chief of the Honolulu Police Department among the recipients of a certified copy.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 266, as amended herein, and recommend that it be referred to the Committee on Transportation in the form attached hereto as H.R. No. 266, H.D. 1.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1335      Housing/Water, Land, & Ocean Resources on H.C.R. No. 294**

The purpose of this concurrent resolution is to request the Honolulu Department of Transportation Services, in collaboration with the Honolulu Department of Customer Services, state Department of Transportation, and Hawaii Public Housing Authority to assist in resolving issues related to homeless individuals living in abandoned vehicles.

The Representative from the Twenty-third District supported this concurrent resolution.

Your Committees find that complaints from residents and business owners about homeless individuals living in abandoned vehicles occur in neighborhoods throughout the City and County of Honolulu. Accordingly, your Committees have amended this concurrent resolution to:

- (1) Clarify that the issue and its requested resolution apply to all of Honolulu, and is not just limited to the Queen Street area;
- (2) Suggest the possibility of amending the definition of "abandoned vehicle" to include parked vehicles with the appearance of an individual using the vehicle as a residence; and
- (3) Include the Chief of the Honolulu Police Department among the recipients of a certified copy.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 294, as amended herein, and recommend that it be referred to the Committee on Transportation, in the form attached hereto as H.C.R. No. 294, H.D. 1.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1336      Housing on H.R. No. 114**

The purpose of this resolution is to urge Hawaii's Congressional delegation to introduce legislation deterring other jurisdictions from transporting homeless individuals to Hawaii.

One concerned individual supported this resolution. The Hawaii Public Housing Authority supported the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 114 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1337      Housing on H.C.R. No. 144**

The purpose of this concurrent resolution is to urge Hawaii's Congressional delegation to introduce legislation deterring other jurisdictions from transporting homeless individuals to Hawaii.

One concerned individual supported this concurrent resolution. The Hawaii Public Housing Authority supported the intent of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 144 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1338      Economic Revitalization, Business, & Military Affairs on S.B. No. 823**

The purpose of this bill is to increase workers' awareness about their employment rights under Hawaii's family leave law by requiring employers to post, and keep posted, notices that clearly specify the rights of employees under the law.

The Department of Labor and Industrial Relations supported this measure. The ILWU Local 142 supported the intent of the bill. The National Federation of Independent Businesses in Hawaii and General Contractors Association opposed the bill. The Department of Human Resources Development submitted comments.

While appreciating concerns that the posting required by this measure will impose an additional administrative burden on business, your Committee believes that the additional burden will be light, and more than offset by the benefits of informing employees about their rights under the family leave law.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion in Conference; and
- (2) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 823, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Manahan and Wakai.

**SCRep. 1339 Health on H.R. No. 88**

The purpose of this resolution is to work to ensure that the most reliable method in detecting colon cancer and growths that could become colon cancer are available to the greatest number of people by requesting the Auditor to conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, of the social and financial effects of mandating coverage for colorectal cancer screening by colonoscopy and screening tests and procedures as further described in House Bill No. 823 (Regular Session of 2009).

The Hawaii Chapter of the American Physical Therapy Association, American Cancer Society, and Kaiser Permanente Hawaii supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1340 Health on H.C.R. No. 109**

The purpose of this concurrent resolution is to work to ensure that the most reliable method in detecting colon cancer and growths that could become colon cancer are available to the greatest number of people by requesting the Auditor to conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, of the social and financial effects of mandating coverage for colorectal cancer screening by colonoscopy and screening tests and procedures as further described in House Bill No. 823 (Regular Session of 2009).

The Hawaii Chapter of the American Physical Therapy Association, American Cancer Society, and Kaiser Permanente Hawaii supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1341 Health on H.R. No. 153**

The purpose of this resolution is to work toward positive outcomes not only environmentally, but also on overall population health, by requesting that the Department of Health (DOH) to study possible control measures to regulate volatile organic compound (VOC) emissions resulting from paint spray booths used by auto body refinishers.

DOH supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1342 Health on H.C.R. No. 187**

The purpose of this concurrent resolution is to work toward positive outcomes not only environmentally, but also on overall population health, by requesting that the Department of Health (DOH) to study possible control measures to regulate volatile organic compound (VOC) emissions resulting from paint spray booths used by auto body refinishers.

DOH supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1343 Health on H.R. No. 119**

The purpose of this resolution is to ensure that Hawaii can take full advantage of federal health information technology grant funding provided in the American Recovery and Reinvestment Act of 2009 (ARRA), by urging the Department of Health (DOH), Department of Human Services, and Department of Business, Economic Development, and Tourism to work jointly in coordinating stakeholders in the health care and technology communities to ensure that Hawaii is able to rapidly respond to and qualify for grant moneys offered in ARRA for health care information exchange technology.

DOH, Hawaii Health Systems Corporation, Hawaii Medical Service Association, and Kaiser Permanente Hawaii supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 119 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1344 Health on H.C.R. No. 148**

The purpose of this concurrent resolution is to ensure that Hawaii can take full advantage of federal health information technology grant funding provided in the American Recovery and Reinvestment Act of 2009 (ARRA), by urging the Department of Health (DOH), Department of Human Services,

and Department of Business, Economic Development, and Tourism to work jointly in coordinating stakeholders in the health care and technology communities to ensure that Hawaii is able to rapidly respond to and qualify for grant moneys offered in ARRA for health care information exchange technology.

DOH, Hawaii Health Systems Corporation, Hawaii Medical Service Association, and Kaiser Permanente Hawaii supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 148 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1345 Health on H.R. No. 212**

The purpose of this resolution is to work toward revising Hawaii's healthcare system to allow for the provision of adequate healthcare for future generations by ensuring that any revisions of the healthcare system in Hawaii incorporate sustainable wellness programs that address the underlying causal factors associated with chronic disease.

The Department of Health, Catholic Charities Hawaii, and several concerned individuals supported this resolution. The Hawaii Government Employees Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 212 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1346 Health on H.C.R. No. 244**

The purpose of this concurrent resolution is to work toward revising Hawaii's healthcare system to allow for the provision of adequate healthcare for future generations by ensuring that any revisions of the healthcare system in Hawaii incorporate sustainable wellness programs that address the underlying causal factors associated with chronic disease.

The Department of Health, Catholic Charities Hawaii, and several concerned individuals supported this concurrent resolution. The Hawaii Government Employees Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 244 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1347 Health on H.R. No. 269**

The purpose of this resolution is to work toward greater prevention of hepatitis B infection by urging Hawaii's Congressional delegation to seek increased federal funding to initiate more comprehensive and widespread hepatitis B education, prevention, and treatment programs in Hawaii.

The Hepatitis Support Network of Hawaii and several concerned individuals supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 269 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1348 Health on H.C.R. No. 297**

The purpose of this concurrent resolution is to work toward greater prevention of hepatitis B infection by urging Hawaii's Congressional delegation to seek increased federal funding to initiate more comprehensive and widespread hepatitis B education, prevention, and treatment programs in Hawaii.

The Hepatitis Support Network of Hawaii and several concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 297 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1349 Health/Human Services on H.R. No. 16**

The purpose of this resolution is to facilitate future multigenerational living and improve the likelihood that older adults and persons with disabilities can "age in place" or remain in their own homes with a high quality of life by requesting the President of the Senate, Speaker of the House of Representatives, and the Governor to form a Home for Life Task Force to coordinate research and action to reduce barriers to aging in place and to facilitate multigenerational living.

The Kokua Council, Hawaii Alliance for Retired Americans, American Physical Therapy Association – Hawaii Chapter, and several concerned individuals supported this resolution. The University of Hawaii Center on Aging supported the intent of this measure. The Occupational Therapy Association of Hawaii supported this resolution with amendments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 16 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Ward.

**SCRep. 1350 Health/Human Services on H.C.R. No. 12**

The purpose of this concurrent resolution is to facilitate future multigenerational living and improve the likelihood that older adults and persons with disabilities can "age in place" or remain in their own homes with a high quality of life by requesting the President of the Senate, Speaker of the House of Representatives, and the Governor to form a Home for Life Task Force to coordinate research and action to reduce barriers to aging in place and to facilitate multigenerational living.

The Kookaa Council, Hawaii Alliance for Retired Americans, American Physical Therapy Association – Hawaii Chapter, and several concerned individuals supported this concurrent resolution. The University of Hawaii Center on Aging supported the intent of this measure. The Occupational Therapy Association of Hawaii supported this concurrent resolution with amendments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 12 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Ward.

**SCRep. 1351 Health/Human Services on H.R. No. 17**

The purpose of this resolution is to support aging in place for our rapidly increasing senior population by requesting the Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa to continue their research and analyses to:

- (1) Develop a cash and counseling model and apply for related grants;
- (2) Determine how best to compensate caregivers for respite services;
- (3) Determine best practices for state agencies to collaborate and coordinate with area agencies on aging and local community service providers (including those for the disabled community);
- (4) Enhance funding from all sources for Medicaid and Medicare services, including removing or adjusting income limits and non-exempt asset limitations;
- (5) Determine how best to accommodate language barriers;
- (6) Determine how best to overcome access to long-term care services barriers; and
- (7) Identify more funding sources for long-term care services.

The Office of Language Access and Policy Advisory Board on Elder Affairs supported this resolution. The Executive Office on Aging and University of Hawaii Center on Aging supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 17 and recommend that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Carroll and Ward.

**SCRep. 1352 Health/Human Services on H.C.R. No. 13**

The purpose of this concurrent resolution is to support aging in place for our rapidly increasing senior population by requesting the Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa to continue their research and analyses to:

- (1) Develop a cash and counseling model and apply for related grants;
- (2) Determine how best to compensate caregivers for respite services;
- (3) Determine best practices for state agencies to collaborate and coordinate with area agencies on aging and local community service providers (including those for the disabled community);
- (4) Enhance funding from all sources for Medicaid and Medicare services, including removing or adjusting income limits and non-exempt asset limitations;
- (5) Determine how best to accommodate language barriers;
- (6) Determine how best to overcome access to long-term care services barriers; and
- (7) Identify more funding sources for long-term care services.

The Office of Language Access and Policy Advisory Board on Elder Affairs supported this concurrent resolution. The Executive Office on Aging and University of Hawaii Center on Aging supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 13 and recommend that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Carroll and Ward.

**SCRep. 1353 Health/Human Services on H.R. No. 18**

The purpose of this resolution is to assist grandparents who are primary caregivers for their grandchildren and are at risk of losing affordable family housing because children are not allowed to reside in senior housing by requesting that:

- (1) All public and private senior housing agencies identify all residents who are sole or primary caretakers for a grandchild; and
- (2) Housing agencies make appropriate exemptions in policies, procedures, and house rules to allow seniors who provide sole or primary care for one or more grandchildren to remain in their rental unit until more suitable housing is obtained.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Kokua Council, Na Tutu – Grandparents Raising Grandchildren Coalition, and several concerned individuals supported this resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 18 and recommend that it be referred to the Committee on Housing.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1354 Health/Human Services on H.C.R. No. 14**

The purpose of this concurrent resolution is to assist grandparents who are primary caregivers for their grandchildren and are at risk of losing affordable family housing because children are not allowed to reside in senior housing by requesting that:

- (1) All public and private senior housing agencies identify all residents who are sole or primary caretakers for a grandchild; and
- (2) Housing agencies make appropriate exemptions in policies, procedures, and house rules to allow seniors who provide sole or primary care for one or more grandchildren to remain in their rental unit until more suitable housing is obtained.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Kokua Council, Na Tutu – Grandparents Raising Grandchildren Coalition, and several concerned individuals supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 14 and recommend that it be referred to the Committee on Housing.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1355 Health/Human Services on H.C.R. No. 15**

The purpose of this concurrent resolution is to financially assist those providing caregiving services to a loved one by encouraging stakeholders and interested parties to work together to establish paid family leave or similar wage replacement programs to assist family caregivers.

The Policy Advisory Board on Elder Affairs and several concerned individuals supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 15 and recommend that it be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1356 Health/Human Services on H.C.R. No. 33**

The purpose of this concurrent resolution is to work toward ensuring the financial stability of the health care system in Hawaii by requesting the federal Centers for Medicare and Medicaid Services to consider raising the Medicare fee schedule payment amounts for physicians rendering services in Hawaii.

The Hawaii Medical Association, Faith Action for Community Equity, and Hawaii State Chiropractic Association supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 33 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1357 Health/Human Services on H.C.R. No. 34**

The purpose of this concurrent resolution is to encourage doctors in Hawaii to continue to provide services here by requesting Congress to raise Medicare fee schedule payment amounts for physicians working in Hawaii.

The Hawaii Medical Association, Hawaii State Chiropractic Association, and Faith Action for Community Equity supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 34 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.

**SCRep. 1358 Health/Human Services on H.C.R. No. 36**

The purpose of this concurrent resolution is to help ensure that appropriate reimbursement is being made to programs, plans, hospitals, and health care providers of medical care by requesting the Auditor to conduct:

- (1) A comprehensive financial audit of all federal funds designated for health care purposes which are received by the State of Hawaii for compliance with federal requirements; and
- (2) An audit of the manner and means by which federal funds designated for health care purposes is distributed through the Department of Budget and Finance to the Department of Human Services, as well as the amounts paid to various programs, plans, hospitals, and other health care providers.

The Healthcare Association of Hawaii supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 36 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Carroll, Shimabukuro and Finnegan.  
(Representative Ward voted no.)

**SCRep. 1359 Transportation on H.R. No. 149**

The purpose of this resolution is to request the Office of the Governor to convene a scenic byways working group to select possible sites statewide, including the Pi'ilani trail on Maui, for proposed federal designation as scenic byways.

The Department of Transportation supported the intent of this resolution. Testimony in support of this resolution was submitted by a concerned individual.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 149 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1360 Transportation on H.C.R. No. 185**

The purpose of this concurrent resolution is to request the Office of the Governor to convene a scenic byways working group to select possible sites statewide, including the Pi'ilani trail on Maui, for proposed federal designation as scenic byways.

The Department of Transportation supported the intent of this concurrent resolution. Testimony in support of this measure was submitted by a concerned individual.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1361 Transportation on H.R. No. 274**

The purpose of this resolution is to urge the Hawaii Community Development Authority to create and maintain a bike path through the Honolulu downtown area.

Testimonies in support of this resolution were submitted by Hawaii Community Development Authority and by a concerned individual.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 274 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1362 Transportation on H.C.R. No. 302**

The purpose of this concurrent resolution is to urge the Hawaii Community Development Authority to create and maintain a bike path through the Honolulu downtown area.

Testimonies in support of this concurrent resolution were submitted by Hawaii Community Development Authority and by a concerned individual.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 302 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1363 Transportation on H.R. No. 263**

The purpose of this resolution is to request the Oahu Metropolitan Planning Organization and the City and County of Honolulu Department of Planning and Permitting develop a planning template for ensuring sufficient regional highway and roadway development to meet the needs of emerging residential communities in the Ewa development plan and the Waianae sustainable communities plan.

The Oahu Metropolitan Planning Organization commented on this matter. The City and County of Honolulu Department of Planning and Permitting submitted testimony opposing this resolution.

Testimonies in support of this measure were submitted by concerned individuals.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 263 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1364            Transportation on H.C.R. No. 291**

The purpose of this concurrent resolution is to request the Oahu Metropolitan Planning Organization and the City and County of Honolulu Department of Planning and Permitting develop a planning template for ensuring sufficient regional highway and roadway development to meet the needs of emerging residential communities in the Ewa development plan and the Waianae sustainable communities plan.

The Oahu Metropolitan Planning Organization commented on this matter. The City and County of Honolulu Department of Planning and Permitting submitted testimony opposing this concurrent resolution.

Testimonies in support of this measure were submitted by concerned individuals.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 291 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1365            Transportation on H.R. No. 64**

The purpose of this resolution is to decrease traffic congestion and increase accessibility to areas in the Kealahou region of the County of Hawaii by expressing legislative support for the Ane Keohokalole Highway extension, mid-level road.

The Mayor of the County of Hawaii, Department of Transportation, Department of Hawaiian Homelands (DHHL), Hawaii Housing and Finance Development Corporation (HHFDC), The Pacific Resources Partnership, and ForestCity Hawaii testified in support of this measure.

Currently, traffic between the primary employment centers of South Kohala and South Kona is limited to the two arterial corridors of Queen Ka'ahumanu Highway and Mamalahoa Highway. This often leads to long delays along both highways. The extension of Ane Keohokalole Highway will provide an additional route for motorists and relieve the congestion along both of the existing highways. The extension will also provide access to two major and much-needed affordable housing projects in the area currently being developed by both DHHL and HHFDC which, in turn, will provide short- and long-term employment opportunities for residents of the County of Hawaii.

Your Committee has amended this measure by requesting the agencies involved in the Ane Keohokalole Highway extension to proceed as expeditiously as possible.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 64, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1366            Transportation on H.C.R. No. 82**

The purpose of this concurrent resolution is to decrease traffic congestion and increase accessibility to areas in the Kealahou region of the County of Hawaii by expressing legislative support for the Ane Keohokalole Highway extension, mid-level road.

The Mayor of the County of Hawaii, Department of Transportation, Department of Hawaiian Homelands (DHHL), Hawaii Housing and Finance Development Corporation (HHFDC), The Pacific Resources Partnership, and ForestCity Hawaii testified in support of this measure.

Currently, traffic between the primary employment centers of South Kohala and South Kona is limited to the two arterial corridors of Queen Ka'ahumanu Highway and Mamalahoa Highway. This often leads to long delays along both highways. The extension of Ane Keohokalole Highway will provide an additional route for motorists and relieve the congestion along both of the existing highways. The extension will also provide access to two major and much-needed affordable housing projects in the area currently being developed by both DHHL and HHFDC which, in turn, will provide short- and long-term employment opportunities for residents of the County of Hawaii.

Your Committee has amended this measure by requesting the agencies involved in the Ane Keohokalole Highway extension to proceed as expeditiously as possible.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 82, H.D. 1.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1367            Transportation on H.R. No. 110**



The purpose of this resolution is to increase safety for disabled pedestrians by requesting the Department of Transportation (DOT) to study the minimum sound level necessary to ensure that blind pedestrians can hear hybrid and other "silent" vehicles in all phases of their operation.

The Disability and Communication Access Board, National Federation of the Blind of Hawaii, and two concerned individuals testified in support of this measure. DOT opposed this measure.

Hybrid vehicles, as well as other electric vehicles, are often called "silent" vehicles because when they are operated in certain modes their vehicles become virtually silent. Although this is a benefit for many who are concerned with increased noise being emitted from automobiles, it can be a hazard for disabled pedestrians, particularly the blind, who rely on vehicular noise to safely walk on roadways and cross streets. Establishing minimum sound levels to be emitted from these vehicles will increase pedestrian safety, especially for blind pedestrians, and allow these individuals to continue to travel independently.

However, your Committee understands the concerns raised by DOT that the more appropriate agencies to direct this measure to would be the United States Department of Transportation (USDOT) and the United States Environmental Protection Agency (EPA) as these agencies develop the vehicle standards that automobile manufacturers must abide by. Accordingly, your Committee has amended this measure by:

- (1) Changing its title to read: "REQUESTING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, ALONG WITH THE UNITED STATES DEPARTMENT OF TRANSPORTATION, TO STUDY THE MINIMUM SOUND LEVEL NECESSARY TO ENSURE THAT BLIND PEDESTRIANS CAN HEAR HYBRID AND OTHER "SILENT" VEHICLES IN ALL PHASES OF THEIR OPERATION";
- (2) Changing all references to DOT to the EPA and USDOT;
- (3) Clarifying that EPA and USDOT are requested to recommend minimum sound standards to vehicles sold in, and licensed to travel on the roads of, the United State and not just Hawaii;
- (4) Deleting the requirement that DOT submit a report to the Legislature prior to the convening of the Regular Session of 2010; and
- (5) Changing the recipients of certified copies of this measure from the Director of DOT to the Director of EPA and USDOT.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 110, as amended herein, and recommends that it be referred to the Committee on Health in the form attached hereto as H.R. No. 110, H.D. 1.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1368      Transportation on H.C.R. No. 137**

The purpose of this concurrent resolution is to increase safety for disabled pedestrians by requesting the Department of Transportation (DOT) to study the minimum sound level necessary to ensure that blind pedestrians can hear hybrid and other "silent" vehicles in all phases of their operation.

The Disability and Communication Access Board, National Federation of the Blind of Hawaii, and two concerned individuals testified in support of this measure. DOT opposed this measure.

Hybrid vehicles, as well as other electric vehicles, are often called "silent" vehicles because when they are operated in certain modes their vehicles become virtually silent. Although this is a benefit for many who are concerned with increased noise being emitted from automobiles, it can be a hazard for disabled pedestrians, particularly the blind, who rely on vehicular noise to safely walk on roadways and cross streets. Establishing minimum sound levels to be emitted from these vehicles will increase pedestrian safety, especially for blind pedestrians, and allow these individuals to continue to travel independently.

However, your Committee understands the concerns raised by DOT that the more appropriate agencies to direct this measure to would be the United States Department of Transportation (USDOT) and the United States Environmental Protection Agency (EPA) as these agencies develop the vehicle standards that automobile manufacturers must abide by. Accordingly, your Committee has amended this measure by:

- (1) Changing its title to read: "REQUESTING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, ALONG WITH THE UNITED STATES DEPARTMENT OF TRANSPORTATION, TO STUDY THE MINIMUM SOUND LEVEL NECESSARY TO ENSURE THAT BLIND PEDESTRIANS CAN HEAR HYBRID AND OTHER "SILENT" VEHICLES IN ALL PHASES OF THEIR OPERATION";
- (2) Changing all references to DOT to the EPA and USDOT;
- (3) Clarifying that EPA and USDOT are requested to recommend minimum sound standards to vehicles sold in, and licensed to travel on the roads of, the United State and not just Hawaii;
- (4) Deleting the requirement that DOT submit a report to the Legislature prior to the convening of the Regular Session of 2010; and
- (5) Changing the recipients of certified copies of this measure from the Director of DOT to the Director of EPA and USDOT.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Health in the form attached hereto as H.C.R. No. 137, H.D. 1.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1369 Human Services on H.R. No. 270**

The purpose of this resolution is to help reunite veterans with their families by urging the United States President and Hawaii's Congressional delegation to support legislation expediting immigrant visas for the families of certain Filipino veterans of World War II.

The WWII Fil-Am Veterans – Hawaii Chapter (FAV) and several concerned individuals supported this resolution.

Your Committee notes that FAV has indicated that some families of Filipino World War II veterans have waited as long as 15 years to receive a visa to reunite with their veteran relatives in the United States. As FAV states that the average age of these veterans is 85, your Committee emphasizes the necessity of expediting the immigrant visa process so that those who have honorably served may be reunited with their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 270 and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Bertram and Carroll.

**SCRep. 1370 Human Services on H.C.R. No. 298**

The purpose of this concurrent resolution is to help reunite veterans with their families by urging the United States President and Hawaii's Congressional delegation to support legislation expediting immigrant visas for the families of certain Filipino veterans of World War II.

The WWII Fil-Am Veterans – Hawaii Chapter (FAV) and several concerned individuals supported this resolution.

Your Committee notes that FAV has indicated that some families of Filipino World War II veterans have waited as long as 15 years to receive a visa to reunite with their veteran relatives in the United States. As FAV states that the average age of these veterans is 85, your Committee emphasizes the necessity of expediting the immigrant visa process so that those who have honorably served may be reunited with their families.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 298 and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Bertram and Carroll.

**SCRep. 1371 Human Services on H.C.R. No. 135**

The purpose of this concurrent resolution is to assist in the provision of safety and supervisory services for delinquent and at-risk youth in an integrated and cost-effective manner by expressing the Legislature's support of the proposed pilot Big Island Juvenile Intake and Assessment Center.

The Hawaii County Office of the Prosecuting Attorney, the Prosecuting Attorney for Hawaii County, and the Mayor of Hawaii County supported this concurrent resolution.

House Concurrent Resolution No. 250 (2006) requested the Hawaii County Office of the Prosecuting Attorney to conduct a feasibility study on the establishment of receiving homes in East and West Hawaii to coordinate intake procedures and service delivery in a streamlined and cost-effective manner. In response, the Hawaii County Office of the Prosecuting Attorney issued its "Report on the Feasibility of Establishing Receiving Homes in East and West Hawaii County," proposing the Big Island Juvenile Intake and Assessment Center, which would provide a critically needed single point of entry for the intake, assessment, and case management of delinquent and at-risk youth.

While it is clear that the current fiscal climate excludes the possibility of immediately funding this pilot program, your Committee emphasizes that the Legislature's affirmation of the program's merits and its benefits for Hawaii's communities will provide Hawaii County with a powerful tool to attract new partners and independently secure sources of funding that may not otherwise be available.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1372 Human Services/Health on H.C.R. No. 55**

The purpose of this concurrent resolution is to help facilitate improved medical services access for Medicaid and Medicare recipients by requesting the Centers for Medicare and Medicaid Services (CMS) to raise the Medicare fee schedule payment amounts for physicians rendering services in Hawaii.

The Department of Human Services supported this concurrent resolution.

Your Committees note that while Hawaii and Guam currently have their geographic practice cost indices (GPCI) set at the same rate, they are not considered an intact geographic region. CMS sets the GPCI for Hawaii and then applies this rate to Guam as well. Accordingly, there is no need to request CMS to consider disaggregating Hawaii and Guam in its next periodic review. Your Committees respectfully request the Committee on Finance to consider this issue as this concurrent resolution moves through the legislative process.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 55 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1373 Higher Education/Tourism, Culture, & International Affairs on H.R. No. 187**

The purpose of this resolution is to request the University of Hawaii Board of Regents(BOR) to develop plans for a scholarship program for Hawaii residents to study abroad.

Several individuals submitted testimony in support of this measure. Varied individuals submitted testimony in support but with suggested amendments. The University of Hawaii offered comments.

Your Committees have amended this measure by:

- (1) Including more current data relating to study-abroad students and costs;
- (2) Requesting the BOR to report its progress to the legislature prior to the 2010 Session; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Tourism, Culture, & International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 187, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 187, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Bertram, Choy, McKelvey, Saiki, Wakai, Ching and Finnegan.

**SCRep. 1374 Higher Education/Tourism, Culture, & International Affairs on H.C.R. No. 217**

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents(BOR) to develop plans for a scholarship program for Hawaii residents to study abroad.

Several individuals submitted testimony in support of this measure. Varied individuals submitted testimony in support but with suggested amendments. The University of Hawaii offered comments.

Your Committees have amended this measure by:

- (1) Including more current data relating to study-abroad students and costs;
- (2) Requesting the BOR to report its progress to the legislature prior to the 2010 Session; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Tourism, Culture, & International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 217, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 217, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Bertram, Choy, McKelvey, Saiki, Wakai, Ching and Finnegan.

**SCRep. 1375 Water, Land, & Ocean Resources on H.C.R. No. 60**

The purpose of this concurrent resolution is to protect all users of public hiking trails by requesting the Public Policy Center and Spark M. Matsunaga Institute for Peace and Conflict Resolution of the University of Hawaii at Manoa to convene a working group to explore the safe use of hunting dogs on public hiking trails.

The Kailua Neighborhood Board, Hawaii Kai Neighborhood Board, Humane Society of the United States, Animal Rights Hawaii, and many concerned individuals supported this concurrent resolution. The Department of Land and Natural Resources opposed this concurrent resolution. Citizens for Safe Hiking provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1376 Water, Land, & Ocean Resources on H.R. No. 191**

The purpose of this resolution is to request the Department of Agriculture to identify priorities for State-owned Important Agricultural Lands (IALs) to maximize the use of these lands for critically-needed agriculture and dairy production.

The Department of Agriculture commented on this resolution.

Noting the concern raised in the Department of Agriculture's testimony regarding differentiating between public and private IALs, your Committee respectfully requests the Committee on Agriculture to consider this concern.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 191 and recommends that it be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1377 Water, Land, & Ocean Resources on H.C.R. No. 222**

The purpose of this concurrent resolution is to request the Department of Agriculture to identify priorities for State-owned Important Agricultural Lands (IALs) to maximize the use of these lands for critically-needed agriculture and dairy production.

The Department of Agriculture commented on this concurrent resolution.

Noting the concern raised in the Department of Agriculture's testimony regarding differentiating between public and private IALs, your Committee respectfully requests the Committee on Agriculture to consider this concern.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 222 and recommends that it be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1378 Water, Land, & Ocean Resources on H.R. No. 92**

The purpose of this resolution is to request the Governor and the Chairperson of the Board of Land and Natural Resources to strive to expend the State's full-allotment of federal aid in wildlife restoration funds.

The Department of Land and Natural Resources and the Hawaii Audubon Society supported this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 92 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1379 Water, Land, & Ocean Resources on H.C.R. No. 114**

The purpose of this concurrent resolution is to request the Governor and the Chairperson of the Board of Land and Natural Resources to strive to expend the State's full-allotment of federal aid in wildlife restoration funds.

The Department of Land and Natural Resources and the Hawaii Audubon Society supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1380 Water, Land, & Ocean Resources on H.R. No. 219**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to review all boards, commissions, councils, committees, working groups, and task forces to determine which of these can be eliminated.

DLNR and Windward Ahupuaa Alliance commented on this concurrent resolution.

Your Committee notes the suggestion in the testimony of the Windward Ahupuaa Alliance to expand the review requested in this resolution to include all state agencies and departments and to redirect the review to the Legislative Reference Bureau. Your Committee, however, addresses issues relating to water, land, and ocean resources and therefore finds that broadening the scope of this resolution is beyond its purview.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 219 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1381 Water, Land, & Ocean Resources on H.C.R. No. 250**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to review all boards, commissions, councils, committees, working groups, and task forces to determine which of these can be eliminated.

DLNR and Windward Ahupuaa Alliance commented on this concurrent resolution.

Your Committee notes the suggestion in the testimony of the Windward Ahupuaa Alliance to expand the review requested in this concurrent resolution to include all state agencies and departments and to redirect the review to the Legislative Reference Bureau. Your Committee, however, addresses issues relating to water, land, and ocean resources and therefore finds that broadening the scope of this concurrent resolution is beyond its purview.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1382 Water, Land, & Ocean Resources on H.R. No. 229**

The purpose of this resolution is to request that the Board of Land and Natural Resources (Board) determine whether or not Act 166, Session Laws of Hawaii 2000, applies to a request submitted to the Board to consent to the assignment of a homestead lease.

The Department of Land and Natural Resources opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 229 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1383 Water, Land, & Ocean Resources on H.C.R. No. 258**

The purpose of this concurrent resolution is to request that the Board of Land and Natural Resources (Board) determine whether or not Act 166, Session Laws of Hawaii 2000, applies to a request submitted to the Board to consent to the assignment of a homestead lease.

The Department of Land and Natural Resources opposed this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 258 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1384 Water, Land, & Ocean Resources on H.R. No. 193**

The purpose of this resolution is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific and Cultural Organization for World Heritage Site designation.

The Friends of Iolani Palace supported this resolution. The Department of Land and Natural Resources supported the intent of this resolution.

Your Committee has amended this resolution to add Princess Abigail Kinoiki Kekaulike Kawananakoa as a recipient of a certified copy of this resolution. In addition, your Committee has made technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 193, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.R. No. 193, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1385 Water, Land, & Ocean Resources on H.C.R. No. 225**

The purpose of this concurrent resolution is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific and Cultural Organization for World Heritage Site designation.

The Friends of Iolani Palace supported this concurrent resolution. The Department of Land and Natural Resources supported the intent of this concurrent resolution.

Your Committee has amended this concurrent resolution to add Princess Abigail Kinoiki Kekaulike Kawananakoa as a recipient of a certified copy of this concurrent resolution. In addition, your Committee has made technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.C.R. No. 225, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1386 Health on H.R. No. 184**

The purpose of this resolution is to enable better and effective treatments for the potentially debilitating disease, chronic obstructive pulmonary disease (COPD), by requesting that the federal Centers for Disease Control and Prevention (CDC) establish a COPD module for information and research on effective treatments for the disease.

The Hawaii COPD Coalition supported the intent of this resolution.

Your Committee has amended this resolution by:

- (1) Requesting that federal funding be provided to the CDC to establish a COPD comprehensive national program (which includes a module of surveillance questions);
- (2) Amending its title to read: "REQUESTING THAT FEDERAL FUNDING BE PROVIDED TO THE CENTERS FOR DISEASE CONTROL AND PREVENTION TO ESTABLISH A CHRONIC OBSTRUCTIVE PULMONARY DISEASE PROGRAM"; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 184, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1387 Health on H.C.R. No. 214**

The purpose of this concurrent resolution is to enable better and effective treatments for the potentially debilitating disease, chronic obstructive pulmonary disease (COPD), by requesting that the federal Centers for Disease Control and Prevention (CDC) establish a COPD module for information and research on effective treatments for the disease.

The Hawaii COPD Coalition supported the intent of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that federal funding be provided to the CDC to establish a COPD comprehensive national program (which includes a module of surveillance questions);
- (2) Amending its title to read: "REQUESTING THAT FEDERAL FUNDING BE PROVIDED TO THE CENTERS FOR DISEASE CONTROL AND PREVENTION TO ESTABLISH A CHRONIC OBSTRUCTIVE PULMONARY DISEASE PROGRAM"; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 214, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 214, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1388 Energy & Environmental Protection on H.R. No. 236**

The purpose of this resolution is to help encourage greater environmental responsibility by requesting the Department of Health (DOH), in consultation with the State Building Code Council and the counties, to develop a plan by which:

- (1) Proposed gray water recycling systems reviewed and approved by DOH may be implemented for residential premises not served by county wastewater systems;
- (2) The gray water provisions of the Uniform Plumbing Code, as incorporated into the State Building Code, may be applied to residential premises served by county wastewater systems under specified conditions; and
- (3) The building permit process may include DOH review and approval of included gray water recycling systems in residential premises not served by county wastewater systems.

A member of the County Council of Maui and a concerned individual supported this resolution.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 236 and recommends that it be referred to the Committee on Housing.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1389 Energy & Environmental Protection on H.C.R. No. 266**

The purpose of this concurrent resolution is to help encourage greater environmental responsibility by requesting the Department of Health (DOH), in consultation with the State Building Code Council and the counties, to develop a plan by which:

- (1) Proposed gray water recycling systems reviewed and approved by DOH may be implemented for residential premises not served by county wastewater systems;
- (2) The gray water provisions of the Uniform Plumbing Code, as incorporated into the State Building Code, may be applied to residential premises served by county wastewater systems under specified conditions; and
- (3) The building permit process may include DOH review and approval of included gray water recycling systems in residential premises not served by county wastewater systems.

A member of the County Council of Maui and a concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 266 and recommends that it be referred to the Committee on Housing.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1390 Energy & Environmental Protection on H.R. No. 259**

The purpose of this resolution is to explore an alternative option for energy savings by requesting the Legislative Reference Bureau (LRB) to conduct a study on the effects of adopting daylight savings time (DST) observance in Hawaii.

Hawaii BioEnergy and the Hawaii Food Industry Association supported this resolution. LRB provided comments.

Your Committee finds that the Legislature, the policy-making body of the State, is in need of relevant information on DST to make informed decisions regarding its implementation.

Accordingly, your Committee has amended this resolution by:

- (1) Requesting LRB to gather and compile information on DST and the effect of its observance on climate change and energy reduction, rather than conduct a general study; and

- (2) Changing the title to read, "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO GATHER AND COMPILE INFORMATION ON DAYLIGHT SAVINGS AND ITS EFFECT ON CLIMATE CHANGE AND ENERGY-USE REDUCTION"; and

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 259, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 259, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1391 Energy & Environmental Protection on H.C.R. No. 287**

The purpose of this concurrent resolution is to explore an alternative option for energy savings by requesting the Legislative Reference Bureau (LRB) to conduct a study on the effects of adopting daylight savings time (DST) observance in Hawaii.

Hawaii BioEnergy and the Hawaii Food Industry Association supported this concurrent resolution. LRB provided comments.

Your Committee finds that the Legislature, the policy-making body of the State, is in need of relevant information on DST to make informed decisions regarding its implementation.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Requesting LRB to gather and compile information on DST and the effect of its observance on climate change and energy reduction, rather than conduct a general study; and
- (2) Changing the title to read, "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO GATHER AND COMPILE INFORMATION ON DAYLIGHT SAVINGS AND ITS EFFECT ON CLIMATE CHANGE AND ENERGY-USE REDUCTION"; and

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 287, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 287, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1392 Human Services on H.R. No. 281**

The purpose of this resolution is to denounce the violation of human rights in Tibet.

Two concerned individuals submitted testimony in support of this resolution.

Your Committee finds that the Tibetans are regularly subjected to human rights abuses. These human rights abuses take many forms including disappearance, arbitrary arrest, torture, beatings, and solitary confinement. Neither are Tibetan women nor Tibetan children excluded from mistreatment. On the contrary, they suffer sexual abuse, violation of their reproductive rights, and discrimination in education by the Chinese government.

The Chinese government racially discriminates against Tibetans in their hiring practices and by limiting access to training programs and limiting the permits to Tibetans for businesses. The Chinese government also obscures information in any form that deals with the plight of the Tibetans. International non-governmental organizations are repeatedly blocked from assisting or observing human rights practices in Tibet by the Chinese government, as well.

Your Committee wishes to express its support of our federal government in urging China to respect the basic human rights of all of its citizens, including those in Tibet.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 281 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1393 Human Services on H.C.R. No. 309**

The purpose of this concurrent resolution is to denounce the violation of human rights in Tibet.

Two concerned individuals submitted testimony in support of this resolution.

Your Committee finds that the Tibetans are regularly subjected to human rights abuses. These human rights abuses take many forms including disappearance, arbitrary arrest, torture, beatings, and solitary confinement. Neither are Tibetan women nor Tibetan children excluded from mistreatment. On the contrary, they suffer sexual abuse, violation of their reproductive rights, and discrimination in education by the Chinese government.

The Chinese government racially discriminates against Tibetans in their hiring practices and by limiting access to training programs and limiting the permits to Tibetans for businesses. The Chinese government also obscures information in any form that deals with the plight of the Tibetans. International non-governmental organizations are repeatedly blocked from assisting or observing human rights practices in Tibet by the Chinese government, as well.

Your Committee wishes to express its support of our federal government in urging China to respect the basic human rights of all of its citizens, including those in Tibet.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 309 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1394 Human Services on H.R. No. 102**

The purpose of this resolution is to urge nonprofit organizations and community groups to establish safety procedures for roadside solicitation of funds and donated goods.

Your Committee emphasizes that most of those soliciting and collecting funds and other donated goods are under the age of eighteen. Your Committee also notes that they usually stand on the roadside. This close proximity to moving vehicles creates potential safety hazards to both the pedestrians and the motorists. Therefore, it is in the best interests of all to keep both the solicitors and the donors safe from harm.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1395 Human Services on H.C.R. No. 123**

The purpose of this concurrent resolution is to urge nonprofit organizations and community groups to establish safety procedures for roadside solicitation of funds and donated goods.

Your Committee emphasizes that most of those soliciting and collecting funds and other donated goods are under the age of eighteen. Your Committee also notes that they usually stand on the roadside. This close proximity to moving vehicles creates potential safety hazards to both the pedestrians and the motorists. Therefore, it is in the best interests of all to keep both the solicitors and the donors safe from harm.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1396 Human Services on H.R. No. 209**

The purpose of this resolution is to request the Department of Human Services to engage in a feasibility study to increase the board payment rate for foster boarding parents, group homes, and child caring institutions in the State over a period of five years. In doing this study, the Department of Human Services should also consider establishing a scaled schedule of board payment rates that take into account varying levels of difficulty in providing care within the following age ranges:

- 1) From birth to age five;
- 2) From age six to age twelve; and
- 3) From age thirteen to time of termination from foster care;

Your Committee finds that the current board payment rate for foster boarding parents, group homes, and child caring institutions in Hawaii was last set in 1990. The current board payment rate was also not adjusted for inflation, which since then has risen sixty-six percent. This low standard foster board payment rate makes Hawaii continue to experience a shortage of foster families, as well as retaining the current foster parents. Therefore, this will be a positive step in reducing these concerns.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 209 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1397 Human Services on H.C.R. No. 240**

The purpose of this concurrent resolution is to request the Department of Human Services to engage in a feasibility study to increase the board payment rate for foster boarding parents, group homes, and child caring institutions in the State over a period of five years. In doing this study, the Department of Human Services should also consider establishing a scaled schedule of board payment rates that take into account varying levels of difficulty in providing care within the following age ranges:

- 1) From birth to age five;
- 2) From age six to age twelve; and
- 3) From age thirteen to time of termination from foster care;

Your Committee finds that the current board payment rate for foster boarding parents, group homes, and child caring institutions in Hawaii was last set in 1990. The current board payment rate was also not adjusted for inflation, which since then has risen sixty-six percent. This low standard foster board payment rate makes Hawaii continue to experience a shortage of foster families, as well as retaining the current foster parents. Therefore, this will be a positive step in reducing these concerns.



As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 240 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1398 Human Services on H.R. No. 275**

The purpose of this resolution is to support the Peace Corps Expansion Act of 2009.

Testimony in support was submitted by the Invisible Children of Hawaii Club and numerous concerned individuals.

Your Committee notes that since President John F. Kennedy established the Peace Corps, it has served in over 139 countries with more than 195,000 volunteers. Since that time, 1,274 volunteers from Hawaii have served in the Peace Corps. It is important to also note that the majority of returned Peace Corps volunteers continue to provide service and play important roles as leaders in our communities across the nation. Because of these volunteers' great dedication and hard work, over twenty countries have recently requested a Peace Corps program. Those countries with existing programs have expressed a welcome invitation to additional volunteers.

Your Committee would like to emphasize that on December 5, 2007, in his speech entitled "A Call to Serve," President Barack Obama made a commitment to double the size of the Peace Corps by its 50<sup>th</sup> anniversary in 2011. Peace Corps volunteers are highly cost-effective, costing less than \$45,000 per volunteer. Despite that fact, however, fewer than 4,000 of the 13,011 that applied for service in 2008 were provided placements. With this in mind, your Committee fully supports the President's commitment in showing the world one of our finest expressions of friendship and solidarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 275 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1399 Human Services on H.C.R. No. 303**

The purpose of this concurrent resolution is to support the Peace Corps Expansion Act of 2009.

Testimony in support was submitted by the Invisible Children of Hawaii Club and numerous concerned individuals.

Your Committee notes that since President John F. Kennedy established the Peace Corps, it has served in over 139 countries with more than 195,000 volunteers. Since that time, 1,274 volunteers from Hawaii have served in the Peace Corps. It is important to also note that the majority of returned Peace Corps volunteers continue to provide service and play important roles as leaders in our communities across the nation. Because of these volunteers' great dedication and hard work, over twenty countries have recently requested a Peace Corps program. Those countries with existing programs have expressed a welcome invitation to additional volunteers.

Your Committee would like to emphasize that on December 5, 2007, in his speech entitled "A Call to Serve," President Barack Obama made a commitment to double the size of the Peace Corps by its 50<sup>th</sup> anniversary in 2011. Peace Corps volunteers are highly cost-effective, costing less than \$45,000 per volunteer. Despite that fact, however, fewer than 4,000 of the 13,011 that applied for service in 2008 were provided placements. With this in mind, your Committee fully supports the President's commitment in showing the world one of our finest expressions of friendship and solidarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 303 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1400 Human Services on H.R. No. 276**

The purpose of this resolution is to:

- 1) condemn the human rights atrocities and violence against children in northern Uganda and the Democratic Republic of the Congo;
- 2) urge Congress to lead the international community in efforts to protect the children of Uganda and the Democratic Republic of the Congo;

Testimony in support was submitted by the Invisible Children of Hawaii Club and a concerned individual.

Your Committee finds the human rights atrocities and violence committed by the Lord's Resistance Army affect children the most. These victims of the twenty-three year civil war in Uganda have faced enslavement, sexual exploitation, and forced soldiering. So far, over 5,000 children are believed to be serving in the Ugandan People's Defense Forces against the Lord's Resistance Army, where countless other children are soldiering involuntarily. The use of children soldiers has resulted in thousands of murders, at least twice that number of children abducted, and nearly two million people displaced from their homes.

The United Nations Security Council President, the United Nations High Commissioner for Human Rights, and the State Department's Deputy Assistant Secretary for Bureau of Democracy, Human Rights and Labor have all openly and publicly condemned these acts of violence and human rights violations. Your Committee also wishes to express its disapproval and condemnation of the Lord's Resistance Army's leadership and acts of human rights violations. They would also like to urge both the Government of Uganda and the Democratic Republic of the Congo to abolish child soldiering in their armed forces.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 276 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1401 Human Services on H.C.R. No. 304**

The purpose of this concurrent resolution is to:

- 1) condemn the human rights atrocities and violence against children in northern Uganda and the Democratic Republic of the Congo;
- 2) urge Congress to lead the international community in efforts to protect the children of Uganda and the Democratic Republic of the Congo;

Testimony in support was submitted by the Invisible Children of Hawaii Club and a concerned individual.

Your Committee finds the human rights atrocities and violence committed by the Lord's Resistance Army affect children the most. These victims of the twenty-three year civil war in Uganda have faced enslavement, sexual exploitation, and forced soldiering. So far, over 5,000 children are believed to be serving in the Ugandan People's Defense Forces against the Lord's Resistance Army, where countless other children are soldiering involuntarily. The use of children soldiers has resulted in thousands of murders, at least twice that number of children abducted, and nearly two million people displaced from their homes.

The United Nations Security Council President, the United Nations High Commissioner for Human Rights, and the State Department's Deputy Assistant Secretary for Bureau of Democracy, Human Rights and Labor have all openly and publicly condemned these acts of violence and human rights violations. Your Committee also wishes to express its disapproval and condemnation of the Lord's Resistance Army's leadership and acts of human rights violations. They would also like to urge both the Government of Uganda and the Democratic Republic of the Congo to abolish child soldiering in their armed forces.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 304 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1402 Health on H.R. No. 34**

The purpose of this resolution is to move to bridge existing gaps in emergency medical services coverage by requesting that the state Department of Defense (DOD) allow available surplus helicopters to be used for medical evacuation services.

DOD submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 34 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1403 Health on H.C.R. No. 42**

The purpose of this concurrent resolution is to move to bridge existing gaps in emergency medical services coverage by requesting that the state Department of Defense (DOD) allow available surplus helicopters to be used for medical evacuation services.

DOD submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1404 Health on H.R. No. 185**

The purpose of this resolution is to promote best practices in child birth by requesting the Department of Health (DOH) to review and assess:

- (1) The criteria used by hospitals and physicians for indications for elective inductions or cesarean sections; and
- (2) The policies and procedures implemented by hospitals to reduce elective cesarean sections and induction of labor.

The Healthy Mothers Healthy Babies Coalition of Hawaii, March of Dimes Foundation – Hawaii Chapter, and several concerned individual supported this resolution. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 185 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1405 Health on H.C.R. No. 215**

The purpose of this concurrent resolution is to promote best practices in child birth by requesting the Department of Health (DOH) to review and assess:

- (1) The criteria used by hospitals and physicians for indications for elective inductions or cesarean sections; and
- (2) The policies and procedures implemented by hospitals to reduce elective cesarean sections and induction of labor.

The Healthy Mothers Healthy Babies Coalition of Hawaii, March of Dimes Foundation – Hawaii Chapter, and several concerned individual supported this concurrent resolution. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 215 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll and Mizuno.

**SCRep. 1406      Transportation on H.R. No. 129**

The purpose of this resolution is to recognize the importance of bicycling.

A concerned individual submitted testimony in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 129 and recommends its adoption.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1407      Transportation on H.C.R. No. 162**

The purpose of this concurrent resolution is to recognize the importance of bicycling.

A concerned individual submitted testimony in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 162 and recommends its adoption.

Signed by all members of the Committee except Representatives Nakashima, Saiki and Pine.

**SCRep. 1408      Water, Land, & Ocean Resources on H.C.R. No. 49**

The purpose of this concurrent resolution is to acknowledge and honor the efforts of Hawaii's soldiers in World War II by urging the full preservation of what is now the Marine Corps Air Station Ewa, or a portion of it, as a National Monument.

The Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1409      Water, Land, & Ocean Resources on H.C.R. No. 116**

The purpose of this concurrent resolution is to help protect the historic and environmental integrity of the fishpond in Prince Kuhio Park on Kauai by urging the County of Kauai to design and construct a new Lawai Beach Road in the Park.

A concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 116 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1410      Water, Land, & Ocean Resources/Energy & Environmental Protection on H.R. No. 111**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to remove the Ka'ohē homesteads from the geothermal resources subzone designation.

The Office of Hawaiian Affairs supported this resolution. DLNR opposed this resolution.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 111 and recommend its adoption.

Signed by all members of the Committee except Representatives Chong, Herkes, Luke and Morita.

**SCRep. 1411      Water, Land, & Ocean Resources/Energy & Environmental Protection on H.C.R. No. 138**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to remove the Ka'ohē homesteads from the geothermal resources subzone designation.

The Office of Hawaiian Affairs supported this concurrent resolution. DLNR opposed this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 138 and recommend its adoption.

Signed by all members of the Committee except Representatives Chong, Herkes, Luke and Morita.

**SCRep. 1412 Human Services on H.R. No. 125**

The purpose of this resolution is to urge public and private agencies to encourage their parent clients to encourage reading by having their children use closed captioning while they watch television.

Your Committee notes that children of all ages have increasingly reduced their time reading books. Nowadays, they watch an average of two to four hours of television per day. The pictures and sounds of television have captured their attention and imagination. Unfortunately, this restricts the medium of reading as a learning tool. But, closed captioning allows for both television and reading to collaborate as learning tools for children.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 125 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1413 Human Services on H.C.R. No. 157**

The purpose of this concurrent resolution is to urge public and private agencies to encourage their parent clients to encourage reading by having their children use closed captioning while they watch television.

Your Committee notes that children of all ages have increasingly reduced their time reading books. Nowadays, they watch an average of two to four hours of television per day. The pictures and sounds of television have captured their attention and imagination. Unfortunately, this restricts the medium of reading as a learning tool. But, closed captioning allows for both television and reading to collaborate as learning tools for children.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll and Yamane.

**SCRep. 1414 Human Services on S.C.R. No. 14**

The purpose of this concurrent resolution is to encourage participation in the White Ribbon Campaign to end domestic violence against women.

A concerned individual submitted testimony in support of this measure.

Your Committee emphasizes that domestic violence against women is the number one cause of injury to women and it has reached epidemic proportions across the nation. During 1999, in Hawaii alone, there were 8,013 reported cases of domestic violence. Unfortunately, in these times of economic uncertainty, it has been shown that as the financial stability of the country worsens, there is an increase in the number of domestic violence cases. Because it is estimated that domestic violence costs the American economy between eight to ten billion dollars, it exacerbates the financial hardships faced by many. Resolving problems of domestic violence will not only help our economy, but the physical and emotional well-being of the victims and their families.

Your Committee commends the Community Overcoming Relationship Abuse organization, also known as CORA, for establishing a White Ribbon Campaign in encouraging people to wear a white ribbon in opposition to violence against women. But, as various forms of violence against women still rage on, your Committee will continue to support the White Ribbon Campaign's goal of ending all forms of violence against women.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 14, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1415 Human Services on S.C.R. No. 19**

The purpose of this concurrent resolution is to urge faith-based organizations to network and cooperate to support foster families in Hawaii.

Testimony in support of this concurrent resolution was submitted by a concerned individual.

Your Committee recognizes that our state's most precious resource is our children. It is also recognized that our children, especially foster children, need to have the opportunities to reach their highest potential. All organizations have a vital interest in sharing this enormous responsibility. In order to give all of them the best chances, faith-based organizations need to network and cooperate in supporting foster families in Hawaii.

It is also recognized by Your Committee that an example of what faith-based organizations can do to promote and assist foster families in Hawaii is Kokua Ohana. Kokua Ohana is a foster care program that is the product of the effort between the Partners in Development Foundation and the Department of Human Services, has successfully brought together churches and Native Hawaiian community organizations in supporting Hawaii's foster families. While great accomplishments have been done by Kokua Ohana, there is still an enormous need for other faith-based organizations to network and cooperate to support foster families here in Hawaii.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1416 Human Services/Health on S.C.R. No. 15**

The purpose of this concurrent resolution is to help raise awareness of teen dating violence by designating the first week in February 2010 as Hawaii Teen Dating Violence Awareness and Prevention Week and encouraging the development and implementation of appropriate programs and activities during this week.

A concerned individual supported this concurrent resolution.

Hawaii's teenagers are inundated by images of intimate partner violence. High-profile news stories chronicle the exploits of abusive celebrity relationships and the local media has recently reported local incidents of intimate partner violence with very serious consequences. Your Committees acknowledge that teenage years are filled with peer pressure as impressionable teens struggle to establish their identity amongst conflicting societal messages. Just as teen dating violence is an on-going issue requiring consistent community attention and action, so too should teen dating violence awareness week be consistently observed year to year, in an on-going effort to prevent intimate partner violence among the state's youth.

Accordingly, your Committees have amended the title and substance of this concurrent resolution to designate the first week in February of every year as Hawaii Teen Dating Violence Awareness and Prevention Week.

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 15, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 15, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1417 Consumer Protection & Commerce on S.B. No. 298**

The purpose of this bill is to help condominium associations recover delinquent maintenance fees by increasing the cap on special assessments that associations may impose on foreclosure sale purchasers of a delinquent unit with unpaid maintenance fees.

The Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, and a concerned individual testified in support of this bill. The Hawaii Legislative Action Committee of the Community Associations Institute supported the intent of this measure. The Hawaii Financial Services Association and Hawaii Bankers Association provided comments.

Currently, condominium associations may recover up to six months of unpaid maintenance fees from the purchaser of a delinquent unit in a foreclosure sale, capped at \$1,800. Association losses from unpaid maintenance fees are typically made up from the sale of the delinquent unit or by increases in assessments for the other owners. However in a weak housing market, many delinquent units carry debts that exceed the market value of the unit, and increases in owner assessments may lead to further delinquencies.

This bill enhances the ability of associations to fill these losses through special assessments on those who buy delinquent units at distress prices at foreclosure sales. Increasing the cap on such special assessments will help associations cover expenses for common elements and amenities that benefit all owners in a community.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Mizuno, Souki and Thielen.

**SCRep. 1418 Consumer Protection & Commerce on S.B. No. 574**

The purpose of this bill is to enhance options for resolving condominium disputes by extending the Condominium Dispute Resolution Pilot Program (Pilot Program) for another two years.

The Hawaii Independent Condominium and Cooperative Owners and Hawaii Council of Associations of Apartment Owners testified in support of this bill. A concerned individual opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

The Pilot Program, set forth in sections 514A-121.5 and 514B-161, Hawaii Revised Statutes, and set to expire on June 30, 2009, was established to facilitate quick and economical resolutions of disputes between condominium owners and their association boards. There is disagreement as to whether the Pilot Program has demonstrated it should be continued. However, there are apparently ongoing efforts to find alternatives to the Pilot Program, such as "evaluative mediation." This bill maintains the availability of the Pilot Program while alternatives are being developed.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 574, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Mizuno, Souki and Thielen.

**SCRep. 1419 Judiciary on S.B. No. 92**

The purpose of this bill is to amend or repeal various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii to correct errors and references, clarify language, and delete obsolete or unnecessary provisions.

The Legislative Reference Bureau supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 92 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Mizuno, B. Oshiro, Souki and Thielen.

**SCRep. 1420 Water, Land, & Ocean Resources on S.B. No. 1113**

The purpose of this bill is to repeal the requirement that in a county with a population in excess of 500,000, in an existing hotel containing at least 60 units, 40 percent of the units are to be made available for sale or rental as residential apartments.

Wyndham Worldwide, Starwood Vacation Ownership, and the Land Use Research Foundation of Hawaii supported this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla and Chong.

**SCRep. 1421 Judiciary on S.B. No. 108**

The purpose of this bill is to extend from six to twelve months the maximum duration of a court-appointed temporary guardian for a minor.

The Judiciary and Legal Aid Society of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 108 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1422 Judiciary on S.B. No. 942**

The purpose of this bill is to increase protections for Hawaii's environment by conforming Hawaii's underground storage tank law to the requirements of the Federal Energy Policy Act of 2005 and prohibit a person from delivering, depositing into, or accepting a regulated substance into an underground storage tank at a facility that has been identified by the Department of Health (DOH) to be ineligible for such a deposit, delivery, or acceptance.

DOH testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Thielen.

**SCRep. 1423 Judiciary on S.B. No. 1130**

The purpose of this bill is to provide increased identity protection by requiring a party seeking recordation or registration of a judgment, order, or decree at the Bureau of Conveyances to redact the first five digits of any social security number by blocking out the numbers on the copy of the judgment, order, or decree to be recorded or registered.

The Department of Land and Natural Resources and the Collection Law Section of the Hawaii State Bar Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Morita, Souki and Thielen.

**SCRep. 1424 Water, Land, & Ocean Resources on S.B. No. 715**

The purpose of this bill is to require the Statewide Transportation Plan to comply with county transportation-related plans, county general plans, and all community, development, and community-development plans, to the extent the receipt of federal funds is not affected by compliance.

The Honolulu Department of Transportation Services, Honolulu Department of Planning and Permitting, a member of the Maui County Council, the Hawaii Association of Realtors, and Hawaii Building and Construction Trades Council, AFL-CIO supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 715, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1425 Judiciary on S.B. No. 203**

The purpose of this bill is to deter unlicensed contractor activity by increasing monetary sanctions for such violations.

The Department of Commerce and Consumer Affairs (DCCA), Building Industry Association – Hawaii, General Contractors Association of Hawaii, and Subcontractors Association of Hawaii supported this bill.

Your Committee acknowledges that this bill's current form is the result of a collaborative effort between DCCA and various stakeholder organizations and represents an ambitious approach to deter unlicensed contractors from engaging in activities requiring licensing and oversight. Your

Committee is concerned, however, that an increase in the minimum fine for an initial violation to \$2,500 may result in an unintentionally severe penalty for a minor or inadvertent compliance violation.

Your Committee has amended this bill by changing the effective date to January 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 203, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 203, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, McKelvey, Morita, Souki and Thielen.

**SCRep. 1426      Judiciary on S.B. No. 848**

The purpose of this bill is to deter copper theft by permanently establishing the provisions of Act 197, Session Laws of Hawaii 2007, which were set to be repealed on July 1, 2009. These provisions, among other things:

- (1) Established theft of copper as a felony offense;
- (2) Imposed additional documentation and record-keeping requirements for scrap dealers purchasing copper; and
- (3) Established minimum fines for violations of scrap dealer licensing and purchase documentation requirements.

The Attorney General, Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported this bill. Anheuser Busch Companies supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Removing the sunset date on provisions establishing the misdemeanor offense of "theft of beer keg" and imposing additional documentation and record-keeping requirements for scrap dealers purchasing beer kegs; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 848, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, McKelvey, Morita, Souki and Thielen.

**SCRep. 1427      Water, Land, & Ocean Resources on S.B. No. 1195**

The purpose of this bill is to enhance the ability of the State to plan and make decisions supporting the growth of science and technology industries in the state by:

- (1) Amending the reporting requirement under the Research and Statistics for Growth Industries Program, by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually report to the Legislature on the criteria used to measure the growth of Hawaii's emerging growth industries, instead of reporting on the impact of DBEDT's efforts on those industries; and
- (2) Amending the economic objectives and policies of the Hawaii State Planning Act to require planning to include developing and expanding businesses and activities in science, technology, and related emerging growth industries.

The Office of Planning supported the intent of this bill. DBEDT commented on this bill.

Your Committee has amended this bill by:

- (1) Including as a new policy to achieve the State's general economic objectives, stimulating the development of economic activities such as defense, dual-use, and science and technology assets, rather than incorporating this as one of the general objectives; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1195, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1195, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Morita.

**SCRep. 1428      Higher Education/Tourism, Culture, & International Affairs on H.R. No. 211**

The purpose of this resolution is to request the Hawaii Convention Center in partnership with the University of Hawaii (UH) Academy for Creative Media and NAFA: Association of International Educators to develop a program and produce a film which promotes Hawaii as an education and training destination of choice.

The Hawaii Tourism Authority testified in support with amendments. A concerned individual testified in support of the intent of this measure and recommended amendments.

Your Committees have amended this resolution by:

- (1) Including the Hawaii Hotel and Lodging Association (HHLA) as another source to partner with the HVCB;

- (2) Requesting the UH to conduct a study to determine the courses and programs offered in Hawaii by UH, other institutions of higher education, and organizations;
- (3) Requesting the Hawaii Visitors and Convention Bureau (HVCB), UH, NAFSA, and HHLA to determine costs and funding options for production of a short film that can be broadcasted throughout Waikiki hotels to promote Hawaii as an education and training destination of choice;
- (4) Requesting the HVCB and UH to submit their findings and recommendations to the legislature prior to the 2010 Session;
- (5) Changing the title to conform to amendments to read, "REQUESTING THE HAWAII VISITORS AND CONVENTION BUREAU IN PARTNERSHIP WITH THE UNIVERSITY OF HAWAII ACADEMY FOR CREATIVE MEDIA, NAFSA: ASSOCIATION OF INTERNATIONAL EDUCATORS, AND THE HAWAII HOTEL AND LODGING ASSOCIATION TO DEVELOP A PROGRAM AND PRODUCE A FILM PROMOTING HAWAII AS AN EDUCATION AND TRAINING DESTINATION OF CHOICE"; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Tourism, Culture, & International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 211, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 211, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Bertram, Choy, McKelvey, Saiki, Wakai, Ching and Finnegan.

**SCRep. 1429 Higher Education/Tourism, Culture, & International Affairs on H.C.R. No. 242**

The purpose of this concurrent resolution is to request the Hawaii Convention Center (HVCB) in partnership with the University of Hawaii (UH) Academy for Creative Media and NAFSA: Association of International Educators to develop a program and produce a film which promotes Hawaii as an education and training destination of choice.

The Hawaii Tourism Authority testified in support with amendments. A concerned individual testified in support of the intent of this measure and recommended amendments.

Your Committees have amended this concurrent resolution by:

- (1) Including the Hawaii Hotel and Lodging Association (HHLA) as another source to partner with the HVCB;
- (2) Requesting the UH to conduct a study to determine the courses and programs offered in Hawaii by UH, other institutions of higher education, and organizations;
- (3) Requesting the HVCB, UH, NAFSA, and HHLA to determine costs and funding options for production of a short film that can be broadcasted throughout Waikiki hotels to promote Hawaii as an education and training destination of choice;
- (4) Requesting the HVCB and UH to submit their findings and recommendations to the legislature prior to the 2010 Session;
- (5) Changing the title to conform to amendments to read, "REQUESTING THE HAWAII VISITORS AND CONVENTION BUREAU IN PARTNERSHIP WITH THE UNIVERSITY OF HAWAII ACADEMY FOR CREATIVE MEDIA, NAFSA: ASSOCIATION OF INTERNATIONAL EDUCATORS, AND THE HAWAII HOTEL AND LODGING ASSOCIATION TO DEVELOP A PROGRAM AND PRODUCE A FILM PROMOTING HAWAII AS AN EDUCATION AND TRAINING DESTINATION OF CHOICE"; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Tourism, Culture, & International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 242, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 242, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Bertram, Choy, McKelvey, Saiki, Wakai, Ching and Finnegan.

**SCRep. 1430 Energy & Environmental Protection on H.R. No. 231**

The purpose of this resolution is to continue exploring energy alternatives by requesting the Public Utilities Commission (PUC) to allow continued negotiations between the Hawaii Electric and Light Company (HELCO) and Kahua Ranch and Na Makani Moa e Ku, LLC, on a pilot project using a pumped hydro electric system to store energy in the event of, and to mitigate the impact of any sudden drop in other renewable energy sources.

A concerned individual supported this resolution. PUC provided comments.

Your Committee acknowledges information provided by PUC explaining its competitive bidding-waiver policy for pilot projects that may be adversely affected by the competitive bidding process.

Accordingly, your Committee has amended this resolution by:

- (1) Indicating that Na Makani Moa e Ku is identified as a possible project in the energy agreement between the State of Hawaii, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and HELCO signed on October 20, 2008;
- (2) Specifying PUC's waiver policy;
- (3) Requesting PUC to grant a waiver of the competitive bidding process to allow continued negotiations; and
- (4) Amending the title to read, "REQUESTING THE PUBLIC UTILITIES COMMISSION TO GRANT A WAIVER ALLOWING HAWAII ELECTRIC AND LIGHT COMPANY TO CONTINUE ITS NEGOTIATIONS WITH KAHUA RANCH AND NA MAKANI MOA E KU, LLC, ON THE KAHUA FAST-RESPONSE HYDRO PROJECT."



Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 231, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.R. No. 231, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1431 Energy & Environmental Protection on H.C.R. No. 260**

The purpose of this concurrent resolution is to continue exploring energy alternatives by requesting the Public Utilities Commission (PUC) to allow continued negotiations between the Hawaii Electric and Light Company (HELCO) and Kahua Ranch and Na Makani Moa e Ku, LLC, on a pilot project using a pumped hydro electric system to store energy in the event of, and to mitigate the impact of any sudden drop in other renewable energy sources.

A concerned individual supported this concurrent resolution. PUC provided comments.

Your Committee acknowledges information provided by PUC explaining its competitive bidding waiver policy for pilot projects that may be adversely affected by the competitive bidding process.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Indicating that Na Makani Moa e Ku is identified as a possible project in the energy agreement between the State of Hawaii, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and HELCO signed on October 20, 2008;
- (2) Specifying PUC's waiver policy;
- (3) Requesting PUC to grant a waiver of the competitive bidding process to allow continued negotiations; and
- (4) Amending the title to read, "REQUESTING THE PUBLIC UTILITIES COMMISSION TO GRANT A WAIVER ALLOWING HAWAII ELECTRIC AND LIGHT COMPANY TO CONTINUE ITS NEGOTIATIONS WITH KAHUA RANCH AND NA MAKANI MOA E KU, LLC, ON THE KAHUA FAST-RESPONSE HYDRO PROJECT."

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 260, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 260, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1432 Transportation on H.R. No. 213**

The purpose of this resolution is to request the Department of Accounting and General Services to require all motor vehicles to use their headlights while driving in the capitol's parking structure.

No testimony was received on this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 213 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1433 Transportation on H.C.R. No. 245**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to require all motor vehicles to use their headlights while driving in the capitol's parking structure.

No testimony was received on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1434 Transportation on H.R. No. 240**

The purpose of this resolution is to request the Department of Taxation to undertake a study to determine the feasibility of exempting from the general excise tax imposed under Chapter 237, Hawaii Revised Statutes, less than container load shipping to the islands of the County of Maui.

The Department of Taxation submitted comment on this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 240 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1435      Transportation on H.C.R. No. 270**

The purpose of this concurrent resolution is to request the Department of Taxation to undertake a study to determine the feasibility of exempting from the general excise tax imposed under Chapter 237, Hawaii Revised Statutes, less than container load shipping to the islands of the County of Maui.

The Department of Taxation submitted comment on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 270 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1436      Transportation on H.R. No. 244**

The purpose of the resolution is to encourage the establishment of a ferry system from the Hoakalei resort and marina in Ewa beach to downtown Honolulu.

The Leeward Oahu Transportation Management Association and the Land Use Research Foundation of Hawaii submitted testimonies supporting the intent of this resolution and offered comments.

Testimonies were submitted by concerned individuals supporting this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 244 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1437      Transportation on H.C.R. No. 273**

The purpose of this concurrent resolution is to encourage the establishment of a ferry system from the Hoakalei resort and marina in Ewa Beach to downtown Honolulu.

The Leeward Oahu Transportation Management Association and the Land Use Research Foundation of Hawaii submitted testimonies supporting the intent of this measure and offered comments.

Testimonies were submitted by concerned individuals in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 273 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1438      Transportation on H.R. No. 247**

The purpose of this resolution is to request the Department of Transportation to encourage each holder of a concession contract at a State airport to give first right of refusal to local vendors to supply goods, wares, merchandise, and services to the concession.

No testimony was received on this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 247 and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1439      Transportation on H.C.R. No. 276**

The purpose of this concurrent resolution is to request the Department of Transportation to encourage each holder of a concession contract at a State airport to give first right of refusal to local vendors to supply goods, wares, merchandise, and services to the concession.

No testimony was received on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 276 and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1440      Transportation/Energy & Environmental Protection on H.C.R. No. 208**

The purpose of this concurrent resolution is to increase protection of Hawaii's fragile environment while also reducing Hawaii's dependence of imported fossil fuel by supporting the electrification of energy-efficient transportation systems in Hawaii.

Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., Enterprise Honolulu, and Better Place Hawaii testified in support of this measure.

Currently, there are over one million registered vehicles in the State of Hawaii, with a majority of those vehicles reliant on gasoline as their source of energy. Unfortunately, the emissions produced by these vehicles have environmental consequences, including the increase in greenhouse gases which, in turn, leads to global warming. Furthermore, the amount of gasoline these vehicles use requires Hawaii to be heavily dependent on imported fossil fuels.

The electrification of Hawaii's transportation system will allow for the increased use of electric vehicles which not only will reduce greenhouse-gas emissions and stem the effects of climate change, but also has the potential to create jobs and foster economic growth.

Your Committees have amended this bill by:

- (1) Clarifying that the amount of gasoline consumed annually by Hawaii's motor vehicles is 400 million gallons rather than 1.4 billion gallons; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 208, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 208, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum, Saiki, Takumi, Yamashita, Pine and Thielen.

**SCRep. 1441 Consumer Protection & Commerce on H.R. No. 235**

The purpose of this resolution is to request that the Office of the Auditor perform a management and financial audit of the Cable Television Division of DCCA for all fiscal years beginning with 1998 and ending with 2008. The Office of the Auditor is further requested to report its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

The Department of Commerce and Consumer Affairs provided comments. The Hawaii Consumers, Community Media Producers Association, and a private citizen provided supportive testimony. A concerned individual submitted testimony in opposition of the resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 235 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1442 Consumer Protection & Commerce on H.C.R. No. 265**

The purpose of this concurrent resolution is to request that the Office of the Auditor perform a management and financial audit of the Cable Television Division of DCCA for all fiscal years beginning with 1998 and ending with 2008. The Office of the Auditor is further requested to report its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

The Department of Commerce and Consumer Affairs provided comments. The Hawaii Consumers, Community Media Producers Association, and a private citizen provided supportive testimony. A concerned individual submitted testimony in opposition of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 265 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1443 Consumer Protection & Commerce on H.R. No. 190**

The purpose of this resolution is to request that the Department of Commerce and Consumer Affairs, the Board of Veterinary Examiners and the Hawaiian Humane Society implement a comprehensive pet protection program for dogs and cats. This program would require that all pet dealers furnish a complete medical history to a buyer upon the purchase of a dog or cat. Additionally, these pet dealers would be required to refund the purchase price or pay medical expenses to a customer who has purchased a pet that has a fatal or life threatening disease.

Testimony in support of the resolution was submitted by The Humane Society of the United States, Animal Rights Hawai'i, the Hawaiian Humane Society, the Oahu Society for the Prevention of Cruelty to Animals and private citizens. Testimony in opposition was submitted by the American Kennel Club and concerned exhibitors and breeders from various clubs. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and the Board of Veterinary Examiners provided comments.

Your Committee on Consumer Protection & Commerce recommends the measure be amended by requesting that the Auditor conduct a sunrise analysis of the registration of pet dealers in Hawai'i. Accordingly, the title of this resolution has been amended to read:

REQUESTING A SUNRISE ANALYSIS FOR THE REGISTRATION OF PET DEALERS IN HAWAI'I.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 190, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 190, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1444 Consumer Protection & Commerce on H.C.R. No. 221**

The purpose of this concurrent resolution is to request that the Department of Commerce and Consumer Affairs, the Board of Veterinary Examiners and the Hawaiian Humane Society implement a comprehensive pet protection program for dogs and cats. This program would require that all pet

dealers furnish a complete medical history to a buyer upon the purchase of a dog or cat. Additionally, these pet dealers would be required to refund the purchase price or pay medical expenses to a customer who has purchased a pet that has a fatal or life threatening disease.

Testimony in support of the concurrent resolution was submitted by The Humane Society of the United States, Animal Rights Hawai'i, the Hawaiian Humane Society, the Oahu Society for the Prevention of Cruelty to Animals and private citizens. Testimony in opposition was submitted by the American Kennel Club and concerned exhibitors and breeders from various clubs. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and the Board of Veterinary Examiners provided comments.

Your Committee on Consumer Protection & Commerce recommends the measure be amended by requesting that the Auditor conduct a sunrise analysis of the registration of pet dealers in Hawai'i. Accordingly, the title of this concurrent resolution has been amended to read:

REQUESTING A SUNRISE ANALYSIS FOR THE REGISTRATION OF PET DEALERS IN HAWAI'I.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 221, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 221, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1445      Housing on H.R. No. 251**

The purpose of this resolution is to urge the Hawaii Public Housing Authority (HPHA) to streamline the eviction process for delinquent tenants in public housing projects to conform to federal guidelines.

HPHA supported the intent of this resolution. The Legal Aid Society of Hawaii opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 251 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum and Thielen.

**SCRep. 1446      Housing on H.C.R. No. 279**

The purpose of this concurrent resolution is to urge the Hawaii Public Housing Authority (HPHA) to streamline the eviction process for delinquent tenants in public housing projects to conform to federal guidelines.

The Office of Hawaiian Affairs and several concerned individuals supported this concurrent resolution. HPHA supported the intent of this concurrent resolution. The Legal Aid Society of Hawaii opposed this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 279 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum and Thielen.

**SCRep. 1447      Hawaiian Affairs on H.R. No. 121**

The purpose of this resolution is to preserve and maintain the rights of the kanaka maoli, the indigenous people of Hawaii, by urging the President of the United States and the United States Congress to adopt the United Nations Declaration on the Rights of Indigenous Peoples.

The Hawaiian Political Action Council of Hawaii, Japanese American Citizens League-Honolulu Chapter, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 121 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1448      Hawaiian Affairs on H.C.R. No. 150**

The purpose of this concurrent resolution is to preserve and maintain the rights of the kanaka maoli, the indigenous people of Hawaii, by urging the President of the United States and the United States Congress to adopt the United Nations Declaration on the Rights of Indigenous Peoples.

The Hawaiian Political Action Council of Hawaii, Japanese American Citizens League-Honolulu Chapter, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1449      Legislative Management on H.C.R. No. 92**

The purpose of this concurrent resolution is to work toward determining viable alternatives to the continued placement of the Sheriff Division within the Department of Public Safety (PSD) by requesting the Auditor to conduct a financial and management audit of PSD's Sheriff Division, and to report on the suitability of the administrative organization of PSD and its Sheriff Division.

The Department of Public Safety provided comments on this concurrent resolution. The Hawaii Government Employees Association strongly supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1450      Legislative Management on H.R. No. 169**

The purpose of this resolution is to increase public access to and participation in the legislative process by establishing policies to govern participation in the legislative broadcast program, thus ensuring consistency, reliability and responsibility for all programming it produces.

The League of Women Voters of Hawaii supported this resolution and offered additional comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 169 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1451      Transportation on H.R. No. 87**

The purpose of this resolution is to urge the State of Hawaii to change the street name of Fort Barrette road to Kualaka'i road.

The Department of Transportation submitted comments on this measure. The Hawaiian Civic Club of Kapolei and a concerned individual submitted testimonies supporting this resolution.

Testimonies were submitted from concerned individuals opposing this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 87 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1452      Transportation on H.C.R. No. 108**

The purpose of this concurrent resolution is to urge the State of Hawaii to change the street name of Fort Barrette road to Kualaka'i road.

The Department of Transportation submitted comments on this measure. The Hawaiian Civic Club of Kapolei and a concerned individual submitted testimonies supporting this concurrent resolution.

Testimonies were submitted from concerned individuals opposing this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takumi, Yamashita and Pine.

**SCRep. 1453      Consumer Protection & Commerce on H.R. No. 128**

The purpose of this resolution is to urge the Real Estate Commission to accept filings for condominium registrations and supporting documents in CD-ROM or other electronic format compatible with chapter 498E, Hawai'i Revised Statutes.

The Real Estate Commission provided comments.

Your Committee on Consumer Protection & Commerce recommends that this resolution be amended by urging the real estate commission to consider allowing developers and attorneys to submit condominium registration filings in electronic format. Accordingly, the title of this resolution has been amended to read:

**HOUSE RESOLUTION URGING THE REAL ESTATE COMMISSION TO CONSIDER ALLOWING DEVELOPERS AND ATTORNEYS TO SUBMIT CONDOMINIUM REGISTRATION FILINGS IN ELECTRONIC FORMAT.**

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 128, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 128, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1454      Consumer Protection & Commerce on S.B. No. 936**

The purpose of this bill is to repeal an obsolete statutory provision requiring the operator of a lodging or tenement house, group home, group residence, group living arrangement, hotel, or boardinghouse to obtain a Department of Health (DOH) sanitation certificate.

DOH testified in support of this bill.

Previous state law provided that a business license to operate a lodging or tenement house, group home, group residence, group living arrangement, hotel, or boardinghouse could not be obtained without a sanitation certificate issued by DOH. However, Act 35, Session Laws of Hawaii 2001, eliminated the business license requirement, rendering the sanitation certificate requirement obsolete. Your Committee notes that DOH has stated it will continue inspections for licensed care homes and other domiciliary facilities it regulates under other laws.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1455 Consumer Protection & Commerce on S.B. No. 1065**

The purpose of this bill is to exempt the Natural Energy Laboratory of Hawaii Authority (NELHA) from regulation by the Public Utilities Commission for the sale or provision of renewable energy to users located on adjacent property leased from the State, except where connection to the electrical grid is necessary to transmit electricity to the user.

The Consumer Advocate supported the intent of this bill.

Your Committee finds that this measure will facilitate and promote the use of renewable energy while ensuring that NELHA remains subject to safety and performance standards that apply to transmissions of energy through the electrical grid.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and Mizuno.

**SCRep. 1456 Finance on S.B. No. 1677**

The purpose of this bill is to establish legislative oversight of sales and exchanges of land held by the State by:

- (1) Requiring an informational briefing in the community where the land to be sold or exchanged is located prior to finalizing a proposal for the sale or exchange; and
- (2) Making proposed sales or exchanges of State-held lands subject to legislative disapproval by a two-thirds majority vote of either the Senate or the House of Representatives or a majority vote of both houses of the Legislature.

The Hawaii Government Employees Association and several concerned individuals supported this bill. The Department of the Attorney General, Hawaii Housing Finance and Development Corporation, Department of Land and Natural Resources, Office of Hawaiian Affairs, Malama Kauai, Legislative Committee of the Royal Order of Kamehameha I, and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Making the sale or exchange of State-held land subject only to the disapproval of a majority vote of both houses of the Legislature, rather than also allowing a two-thirds majority of either the House of Representatives or Senate to disapprove a sale or exchange;
- (2) Requiring that a concurrent resolution to review the sale or exchange of State-held lands be submitted to the Legislature 20 days prior to the start of any regular or special session; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes the concern raised by your Committees on Water, Land, Ocean Resources and Judiciary that the broad scope of the oversight in this bill may cause difficulties for some State agencies and entities currently negotiating exchange and sale transactions, such as the University of Hawaii in its negotiations for the West Oahu campus. Your Committee hopes the conferees can discuss and address these issues when this bill comes before the conference committee.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1677, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1677, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1457 Housing on H.R. No. 254**

The purpose of this resolution is to urge the Hawaii Public Housing Authority (HPHA) to increase the minimum rent for units in state public housing projects.

HPHA supported the intent of this resolution. Catholic Charities Hawaii submitted comments.

Your Committee has amended this resolution by:

- (1) Exempting any current tenant on a fixed income from the rent increase for the remaining term of the lease, so long as the tenant complies with the lease; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 254, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 254, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum and Thielen.

**SCRep. 1458          Housing on H.C.R. No. 282**

The purpose of this concurrent resolution is to urge the Hawaii Public Housing Authority (HPHA) to increase the minimum rent for units in state public housing projects.

Several concerned individuals supported this concurrent resolution. HPHA supported the intent of this concurrent resolution. The Legal Aid Society of Hawaii opposed this concurrent resolution. Catholic Charities Hawaii submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Exempting any current tenant on a fixed income from the rent increase for the remaining term of the lease, so long as the tenant complies with the lease; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 282, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum and Thielen.

**SCRep. 1459          Housing on H.R. No. 255**

The purpose of this resolution is to urge the Hawaii Public Housing Authority (HPHA) to limit the term of tenancies in public housing projects to five years.

Catholic Charities Hawaii, Hawaii Family Forum, the Hawaii Catholic Conference, and Community Alliance Partners opposed this resolution. HPHA offered comments.

Your Committee has amended this resolution by:

- (1) Clarifying that the limit applies only to state public housing projects;
- (2) Requesting HPHA to provide state public housing tenants support services including employment, financial, and life-skills training when sufficient funds become available; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 255, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 255, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum and Thielen.

**SCRep. 1460          Housing on H.C.R. No. 283**

The purpose of this concurrent resolution is to urge the Hawaii Public Housing Authority (HPHA) to limit the term of tenancies in public housing projects to five years.

Several concerned individuals supported this concurrent resolution. Catholic Charities Hawaii, Hawaii Family Forum, the Hawaii Catholic Conference, Community Alliance Partners, the Legal Aid Society of Hawaii, and a concerned individual opposed this concurrent resolution. HPHA offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that the limit applies only to state public housing projects;
- (2) Requesting HPHA to provide state public housing tenants support services including employment, financial, and life-skills training when sufficient funds become available; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 283, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 283, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Ito, Luke, Sagum and Thielen.

**SCRep. 1461          Tourism, Culture, & International Affairs on H.R. No. 101**

The purpose of this resolution is to acknowledge the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Historic Costume Collection as a world class collection of historic and national quality, integrity, and significance and to encourage the University of Hawaii to find and secure a permanent home to properly manage, display, and preserve this collection.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 101 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1462      Tourism, Culture, & International Affairs on H.C.R. No. 122**

The purpose of this concurrent resolution is to acknowledge the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Historic Costume Collection as a world class collection of historic and national quality, integrity, and significance and to encourage the University of Hawaii to find and secure a permanent home to properly manage, display, and preserve this collection.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1463      Tourism, Culture, & International Affairs on H.R. No. 126**

The purpose of this resolution is to urge the United States Department of the Interior and Congress to provide additional federal aid to Hawaii to provide various services to migrants from the Compact of Free Association nations.

The Department of Education supported this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1464      Tourism, Culture, & International Affairs on H.C.R. No. 158**

The purpose of this concurrent resolution is to urge the United States Department of the Interior and Congress to provide additional federal aid to Hawaii to provide various services to migrants from the Compact of Free Association nations.

The Department of Education supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1465      Tourism, Culture, & International Affairs on H.R. No. 150**

The purpose of this resolution is to request that the State Foundation on Culture and the Arts conduct an inventory and valuation of all state-owned artwork, art pieces, and art collections and submit a report of its findings no later than forty-five days prior to the convening of the 2010 Regular Session of the Legislature.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 150 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1466      Tourism, Culture, & International Affairs on H.C.R. No. 186**

The purpose of this concurrent resolution is to request that the State Foundation on Culture and the Arts conduct an inventory and valuation of all state-owned artwork, art pieces, and art collections and submit a report of its findings no later than forty-five days prior to the convening of the 2010 Regular Session of the Legislature.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 186 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1467      Hawaiian Affairs on H.R. No. 194**

The purpose of this resolution is to improve the State's protection and preservation of native Hawaiian burial sites by requesting the Office of Hawaiian Affairs to convene a working group to review the current law and procedures and submit findings and recommendations to the Legislature.

The Office of Hawaiian Affairs, Kanaka Council, and Protect Keopuka Ohana testified in support of this measure. The Society for Hawaiian Archaeology supported the intent of this measure. Comments were provided by a concerned individual.

It has been nearly 20 years since the State's burial sites program and Island Burial Councils were established. Your Committee believes it is the right time to review and improve those laws, as needed, in light of our experience in implementing them, as well as in light of changes in the community and advances in our knowledge of the subject.

Your Committee has amended this measure by:



- (1) Including the University of Hawaii at Hilo (UH-Hilo) in the working group, and making conforming amendments to include the Chancellor of UH-Hilo in the list of recipients of certified copies of this resolution;
- (2) Requesting the working group to review concerns relating to the State Historic Preservation Division, including personnel, leadership, and resource issues, and the problems highlighted by the Wal-Mart, Hokuia, Ward, and Naue situations; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 194, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.R. No. 194, H.D. 1.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1468 Hawaiian Affairs on H.C.R. No. 226**

The purpose of this concurrent resolution is to improve the State's protection and preservation of native Hawaiian burial sites by requesting the Office of Hawaiian Affairs to convene a working group to review the current law and procedures and submit findings and recommendations to the Legislature.

The Office of Hawaiian Affairs, Kanaka Council, and Protect Keopuka Ohana testified in support of this measure. The Society for Hawaiian Archaeology supported the intent of this measure. Comments were provided by a concerned individual.

It has been nearly 20 years since the State's burial sites program and Island Burial Councils were established. Your Committee believes it is the right time to review and improve those laws, as needed, in light of our experience in implementing them, as well as in light of changes in the community and advances in our knowledge of the subject.

Your Committee has amended this measure by:

- (1) Including the University of Hawaii at Hilo (UH-Hilo) in the working group, and making conforming amendments to include the Chancellor of UH-Hilo in the list of recipients of certified copies of this concurrent resolution;
- (2) Requesting the working group to review concerns relating to the State Historic Preservation Division, including personnel, leadership, and resource issues, and the problems highlighted by the Wal-Mart, Hokuia, Ward, and Naue situations; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 226, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.C.R. No. 226, H.D. 1.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1469 Hawaiian Affairs/Human Services on H.R. No. 27**

The purpose of this resolution is to recognize and respect the Hawaiian system of hanai by requesting the Department of Human Services (DHS) to adopt, amend, or repeal rules to integrate the hanai system with foster parent licensing procedures.

DHS commented on this resolution.

Your Committees have amended this resolution by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 27, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

**SCRep. 1470 Hawaiian Affairs/Human Services on H.C.R. No. 25**

The purpose of this concurrent resolution is to recognize and respect the Hawaiian system of hanai by requesting the Department of Human Services (DHS) to adopt, amend, or repeal rules to integrate the hanai system with foster parent licensing procedures.

DHS commented on this concurrent resolution.

Your Committees have amended this concurrent resolution by adding making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 25, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 25, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

**SCRep. 1471 Hawaiian Affairs/Water, Land, & Ocean Resources on H.C.R. No. 28**

The purpose of this concurrent resolution is to ensure that state park lands containing heiau and other sacred sites are well-cared for, by requesting the Office of Hawaiian Affairs (OHA) to:

- (1) Study how effectively three sacred sites at state parks, selected by OHA, are being cared for; and
- (2) Develop possible solutions to caretaking problems, including the establishment of a community-based caretaking and educational program.

OHA and a concerned individual supported this concurrent resolution. The Kawaihapai Ohana and a concerned individual opposed this concurrent resolution. The Department of Land and Natural Resources provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Requesting that OHA expand and augment, instead of establish, community-based caretaking and educational programs, increase the access and participation of community groups, and conform other aspects of the concurrent resolution to this change;
- (2) Providing that OHA's study and proposed caretaking solutions respect caretaking plans and agreements that are already in place or are being developed for park lands containing sacred sites such as Kahana Valley and Haiku Valley; and
- (3) Amending the title of this concurrent resolution accordingly, to read: REQUESTING A STUDY OF THE CARE GIVEN TO AREAS OF STATE PARKS THAT CONTAIN HEIAU AND OTHER SACRED SITES, AND A PLAN TO SOLVE CARETAKING PROBLEMS BY EXPANDING AND AUGMENTING COMMUNITY-BASED CARETAKING AND EDUCATIONAL PROGRAMS.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 28, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 28, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Morita, Ching and Ward.

**SCRep. 1472 Human Services on H.C.R. No. 243**

The purpose of this concurrent resolution is to request the State Fire Council (SFC) to examine the feasibility and costs of installing and retrofitting residential care homes for the elderly with automatic sprinkler systems in accordance with National Fire Protection Agency standards.

A concerned individual supported this concurrent resolution. SFC, the Honolulu Fire Department, and Hawaii Fire Department opposed this concurrent resolution.

For purposes of the public hearing, your Committee provided notice on March 30, 2009, stating that the recommendation for this concurrent resolution was to insert a new title and contents, and that the proposed draft was available for consideration upon request.

Victory Over Violence supported the proposed content.

Upon further consideration, your Committee has amended this concurrent resolution by deleting the content and replacing it with language that:

- (1) Amends the title to read, "ACCEPTING THE GIFT OF THE NON-VIOLENCE SCULPTURE FROM SOKA GAKKAI INTERNATIONAL – USA";
- (2) Accepts the "Non-Violence" sculpture gifted to the State of Hawaii by Soka Gakkai International – USA;
- (3) Agrees to house the sculpture for six months at the State Capitol; and
- (4) Provides for a review of permanent housing for the sculpture after six months.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243, as amended herein, and recommends that it be referred to the Committee on Public Safety in the form attached hereto as H.C.R. No. 243, H.D. 1.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1473 Human Services on H.R. No. 214**

The purpose of this resolution is to help teens recognize and prevent teen dating violence and abuse by requesting the Hawaii State Coalition Against Domestic Violence (HSCADV) to develop, and the Department of Education (DOE) to implement, a policy against teen dating violence and abuse.

HSCADV, the Domestic Violence Action Center, and the Hawaii Immigrant Justice Center supported this resolution. Catholic Charities Hawaii provided comments.

Your Committee emphasizes that education is one of the primary components in the prevention of teen dating violence and abuse. It is important to help teens recognize the difference between love and abuse, particularly in situations where abuse within the home normalizes such behavior.

Your Committee encourages the Department of Education to create public-private partnerships to provide annual training sessions on dating violence for all school staff.

Additionally, your Committee notes that each school should be given the flexibility to apply any policy developed in a manner that best suits the school's population and community context.

Upon further consideration, your Committee has amended this resolution by:

- (1) Amending the title to read, "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH A TASK FORCE TO DEVELOP A POLICY AGAINST TEEN DATING VIOLENCE AND ABUSE";
- (2) Requesting the Department of Human Services to establish a task force, comprised of interested stakeholders, to develop a comprehensive policy to address teen dating violence and abuse;
- (3) Removing the request that HSCADV develop a model dating violence policy by January 1, 2009, for transmittal to the Board of Education (BOE) for approval and adoption;
- (4) Removing the request that BOE create public-private partnerships to provide annual training sessions on dating violence for all school staff; and
- (5) Removing the request that Hawaii public schools consider incorporating age-appropriate dating violence education into any health curriculum framework for certain grades.

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.R. No. 214, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Carroll.

**SCRep. 1474 Human Services on H.C.R. No. 246**

The purpose of this concurrent resolution is to help teens recognize and prevent teen dating violence and abuse by requesting the Hawaii State Coalition Against Domestic Violence (HSCADV) to develop, and the Department of Education (DOE) to implement, a policy against teen dating violence and abuse.

HSCADV, the Domestic Violence Action Center, and the Hawaii Immigrant Justice Center supported this concurrent resolution. Catholic Charities Hawaii provided comments.

Your Committee emphasizes that education is one of the primary components in the prevention of teen dating violence and abuse. It is important to help teens recognize the difference between love and abuse, particularly in situations where abuse within the home normalizes such behavior.

Your Committee encourages the Department of Education to create public-private partnerships to provide annual training sessions on dating violence for all school staff.

Additionally, your Committee notes that each school should be given the flexibility to apply any policy developed in a manner that best suits the school's population and community context.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Amending the title to read, "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH A TASK FORCE TO DEVELOP A POLICY AGAINST TEEN DATING VIOLENCE AND ABUSE";
- (2) Requesting the Department of Human Services to establish a task force, comprised of interested stakeholders, to develop a comprehensive policy to address teen dating violence and abuse;
- (3) Removing the request that HSCADV develop a model dating violence policy by January 1, 2009, for transmittal to the Board of Education (BOE) for approval and adoption;
- (4) Removing the request that BOE create public-private partnerships to provide annual training sessions on dating violence for all school staff; and
- (5) Removing the request that Hawaii public schools consider incorporating age-appropriate dating violence education into any health curriculum framework for certain grades.

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 246, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 246, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Carroll.

**SCRep. 1475 Hawaiian Affairs on H.R. No. 198**

The purpose of this resolution is to protect Hawaiian traditional and customary rights and practices by urging the counties to adopt measures that provide real property tax relief allowing owners of kuleana lands to continue to afford to use those lands for traditional subsistence and residential purposes.

The Native Hawaiian Legal Corporation and several concerned individuals supported this measure. A concerned individual commented.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 198 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1476 Hawaiian Affairs on H.C.R. No. 229**

The purpose of this concurrent resolution is to protect Hawaiian traditional and customary rights and practices by urging the counties to adopt measures that provide real property tax relief allowing owners of kuleana lands to continue to afford to use those lands for traditional subsistence and residential purposes.

The Native Hawaiian Legal Corporation and several concerned individuals supported this measure. A concerned individual commented.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 229 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1477 Hawaiian Affairs on H.R. No. 147**

The purpose of this resolution is to preserve the corpus of the public lands trust to allow a fair and just settlement of native Hawaiian claims to the ceded lands, by requesting the Board of Land and Natural Resources to refrain from selling, exchanging, or otherwise alienating land in the public land trust until those claims are resolved.

Several concerned individuals supported this measure. Hawaiian Political Action Council of Hawaii supported this measure with amendments. The Office of Hawaiian Affairs (OHA) supported the intent of this measure. The Department of the Attorney General, Department of Land and Natural Resources, and several concerned individuals commented on this measure.

Your Committee has amended this resolution by:

- (1) As requested by OHA, removing references to the alienation of lands to ensure that transfers between government agencies do not fall under this measure;
- (2) Adding a reference to Act 359, Session Laws of Hawaii 1993, in which the Hawaii Legislature recognized that the overthrow was illegal and Hawaii was annexed to the United States without the consent of or compensation to the indigenous people of Hawaii or their sovereign government;
- (3) Expanding the reference to lands in the public land trust to include crown lands, government lands, lands identified in section 5 of the Admission Act, and lands held by the Hawaiian Kingdom as of 1893;
- (4) Amending the title to read: "HOUSE RESOLUTION REQUESTING THE BOARD OF LAND AND NATURAL RESOURCES TO REFRAIN FROM SELLING OR EXCHANGING LANDS IN THE PUBLIC LAND TRUST"; and
- (5) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 147, as amended herein, and recommends that it be referred to the Committees on Water, Land, & Ocean Resources and Judiciary in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1478 Hawaiian Affairs on H.C.R. No. 183**

The purpose of this concurrent resolution is to preserve the corpus of the public lands trust to allow a fair and just settlement of native Hawaiian claims to the ceded lands, by requesting the Board of Land and Natural Resources to refrain from selling, exchanging, or otherwise alienating land in the public land trust until those claims are resolved.

Several concerned individuals supported this measure. Hawaiian Political Action Council of Hawaii supported this measure with amendments. The Office of Hawaiian Affairs (OHA) supported the intent of this measure. The Department of the Attorney General, Department of Land and Natural Resources, and several concerned individuals commented on this measure.

Your Committee has amended this concurrent resolution by:

- (1) As requested by OHA, removing references to the alienation of lands to ensure that transfers between government agencies do not fall under this measure;
- (2) Adding a reference to Act 359, Session Laws of Hawaii 1993, in which the Hawaii Legislature recognized that the overthrow was illegal and Hawaii was annexed to the United States without the consent of or compensation to the indigenous people of Hawaii or their sovereign government;
- (3) Expanding the reference to lands in the public land trust to include crown lands, government lands, lands identified in section 5 of the Admission Act, and lands held by the Hawaiian Kingdom as of 1893;
- (4) Amending the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF LAND AND NATURAL RESOURCES TO REFRAIN FROM SELLING OR EXCHANGING LANDS IN THE PUBLIC LAND TRUST"; and
- (5) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183, as amended herein, and recommends that it be referred to the Committees on Water, Land, & Ocean Resources and Judiciary in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1479 Hawaiian Affairs on H.R. No. 241**

The purpose of this resolution is to release the Department of Hawaiian Home Lands (DHHL) from the burden of raising revenues through Hawaiian home lands leases to non-beneficiaries, by urging the Governor and the Legislature to acknowledge its constitutional duty to provide DHHL with sufficient sums to fund its programs, loans, and administrative and operating budget.

The Native Hawaiian Legal Corporation and several concerned individuals supported this measure.

Your Committee has amended this measure by:

- (1) Amending the title to read: "HOUSE RESOLUTION URGING THE GOVERNOR AND THE LEGISLATURE TO REQUEST AND PROVIDE FOR SUFFICIENT FUNDING FOR THE DEPARTMENT OF HAWAIIAN HOMELANDS";
- (2) Adding the Association of Hawaiian Civic Clubs, Royal Order of Kamehameha I, `Iho`ulaokalani Coalition, Hale O Na Ali`i, Ahahui Ka`ahumanu, and the Sons & Daughters of Hawaii to the list of organizations that are to receive a copy of this concurrent resolution from the Office of Hawaiian Affairs; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 241, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 241, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1480 Hawaiian Affairs on H.C.R. No. 271**

The purpose of this concurrent resolution is to release the Department of Hawaiian Home Lands (DHHL) from the burden of raising revenues through Hawaiian home lands leases to non-beneficiaries, by urging the Governor and the Legislature to acknowledge its constitutional duty to provide DHHL with sufficient sums to fund its programs, loans, and administrative and operating budget.

The Native Hawaiian Legal Corporation and several concerned individuals supported this measure.

Your Committee has amended this measure by:

- (1) Amending the title to read: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR AND THE LEGISLATURE TO REQUEST AND PROVIDE FOR SUFFICIENT FUNDING FOR THE DEPARTMENT OF HAWAIIAN HOMELANDS";
- (2) Adding the Association of Hawaiian Civic Clubs, Royal Order of Kamehameha I, `Iho`ulaokalani Coalition, Hale O Na Ali`i, Ahahui Ka`ahumanu, and the Sons & Daughters of Hawaii to the list of organizations that are to receive a copy of this concurrent resolution from the Office of Hawaiian Affairs; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 271, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 271, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1481 Energy & Environmental Protection on H.R. No. 44**

The purpose of this resolution is to encourage responsible environmental stewardship by urging the United States Congress to:

- (1) Oppose oil and gas exploration and development in the Arctic National Wildlife Refuge and on the Outer Continental Shelf; and
- (2) Support clean and renewable energy alternatives.

Although no testimony was submitted for this resolution, your Committee is adamant that a strong statement is required to ensure that the United States sets an example, both domestically and internationally, by implementing a clean and sustainable energy policy that provides tangible energy security and economic prosperity, and that reflects our moral obligations to the environment, all of its inhabitants, and future generations.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 44 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1482 Energy & Environmental Protection on H.C.R. No. 56**

The purpose of this concurrent resolution is to encourage responsible environmental stewardship by urging the United States Congress to:

- (1) Oppose oil and gas exploration and development in the Arctic National Wildlife Refuge and on the Outer Continental Shelf; and
- (2) Support clean and renewable energy alternatives.

Although no testimony was submitted for this concurrent resolution, your Committee is adamant that a strong statement is required to ensure that the United States sets an example, both domestically and internationally, by implementing a clean and sustainable energy policy that provides tangible energy security and economic prosperity, and that reflects our moral obligations to the environment, all of its inhabitants, and future generations.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1483      Tourism, Culture, & International Affairs on H.R. No. 250**

The purpose of this resolution is to request the Mayor of each county to submit an artwork representing its cultural heritage to the Hawaii 50<sup>th</sup> Anniversary of Statehood Commission to be displayed at the State Capitol in celebration of the 50<sup>th</sup> anniversary of statehood.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 250 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1484      Tourism, Culture, & International Affairs on H.R. No. 45**

The purpose of this resolution is to demonstrate that the Legislature endorses and accepts the United Nations Millennium Development Goals.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1485      Tourism, Culture, & International Affairs on H.C.R. No. 57**

The purpose of this concurrent resolution is to demonstrate that the Legislature endorses and accepts the United Nations Millennium Development Goals.

A concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1486      Tourism, Culture, & International Affairs on H.R. No. 46**

The purpose of this resolution is to request the University of Hawaii College of Education to undertake efforts to integrate additional international affairs and global education coursework into its curriculum.

Your Committee has amended this resolution by:

- (1) Requesting that a foreign language requirement be included in the curriculum; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 46, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 46, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1487      Tourism, Culture, & International Affairs on H.C.R. No. 58**

The purpose of this concurrent resolution is to request the University of Hawaii College of Education to undertake efforts to integrate additional international affairs and global education coursework into its curriculum.

Several concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that a foreign language requirement be included in the curriculum; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 58, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1488      Tourism, Culture, & International Affairs on H.R. No. 192**

The purpose of this resolution is to declare April 24 as a day of remembrance in recognition and commemoration of the Armenian genocide of 1915.

Several concerned individuals supported this resolution.

Your Committee has amended this resolution by:

- (1) Correcting the name of an organization that is to receive a certified copy of this resolution; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 192, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 192, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1489      Tourism, Culture, & International Affairs on H.C.R. No. 224**

The purpose of this concurrent resolution is to declare April 24 as a day of remembrance in recognition and commemoration of the Armenian genocide of 1915.

Several concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Correcting the name of an organization that is to receive a certified copy of this concurrent resolution; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 224, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 224, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1490      Consumer Protection & Commerce on S.B. No. 940**

The purpose of this bill is to require:

- (1) Insurers, mutual benefit societies, and health maintenance organizations to make direct payments to the State for the provision of ambulance treatment and transport services generated through the State's 911 system (Part I); and
- (2) Insurance entities, within 90 days of contracting with the State for the provision of Medicaid coverage, to enter into written contracts with at least half of all hospitals and providers in their coverage area (Part II).

Hawaii Pacific Health testified in support of this bill. The Department of Health supported Part I of this measure. The Department of Commerce and Consumer Affairs, Department of Human Services, and MDX Hawaii opposed Part II of this bill. Hawaii Medical Service Association opposed Part I of this measure. American Family Life Assurance Company of Columbus provided comments.

This bill is composed of two distinct parts. Part I facilitates compensation to the State for the provision of ambulance services. Some insurers do not directly compensate the State for these services in the absence of a contract. Instead, claim remittances or direct payments are sent to patients, burdening the patient with billing processing and triggering collection costs for the State. This bill seeks to prevent these situations by requiring insurers to directly reimburse the State for ambulance services in the absence of a contract providing for direct payments.

Part II of this bill attempts to ensure an operable network of hospitals and healthcare providers in Medicaid service areas by requiring insurers contracting with the State for Medicaid services to contract with a minimum amount of providers in the coverage area within a certain time period after contracting with the State. However, there are concerns that this requirement gives healthcare providers tremendous negotiation leverage by allowing providers to hold out for high reimbursements that are eventually passed on to the State, who pays for Medicaid costs.

In light of these considerations, your Committee notes the effective date of this bill is July 1, 2020, and therefore is moving it along for further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1491      Consumer Protection & Commerce/Judiciary on S.B. No. 58**

The purpose of this bill is to promote affordable motor vehicle insurance by allowing a named insured on a motor vehicle insurance policy to exclude persons from being covered under the policy, through a written endorsement signed by the named insured and excluded person.

The American Insurance Association testified in support of this bill. The Office of the Public Defender and Hawaii Independent Insurance Agents Association opposed this measure. The Department of Commerce and Consumer Affairs, Hawaii Insurers Council, State Farm Insurance Companies, Property Casualty Insurers Association of America, and Hawaii Association for Justice provided comments.

Under current law, the acts of one driver can affect the motor vehicle insurance premiums for that driver's entire household. This bill seeks to minimize the impact on the remaining household drivers by allowing certain drivers to be specifically excluded from an insurance policy covering a shared motor vehicle.

However, there are numerous concerns with this bill, including its potential to increase the number of uninsured drivers and its corresponding effect on the assigned claims program, which provides motor vehicle insurance benefits to accident victims in cases where no benefits are available. Your Committees note the effective date of this bill is July 1, 2050, and are therefore moving it along for further consideration.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 58, S.D. 2, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Luke, McKelvey and B. Oshiro.

**SCRep. 1492 Consumer Protection & Commerce/Judiciary on S.B. No. 113**

The purpose of this bill is to protect dental patients by clarifying the authority of the Board of Dental Examiners (Board) to sanction licensees for false or misleading advertising.

The Hawaii Dental Association and several concerned individuals testified in support of this bill. The Board opposed this measure.

This bill seeks to ensure that dentists will not advertise themselves as specialists in areas for which the dentist has not met educational requirements. However, the Board expressed concerns that this bill may be redundant of existing statutory prohibitions against false, fraudulent, and misleading advertisements, as well as corresponding amendments being proposed for the Board's administrative rules.

Your Committees have amended this bill by changing the effective date to January 1, 2090, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 113, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 113, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Luke, McKelvey and B. Oshiro.

**SCRep. 1493 Health on H.R. No. 262**

The purpose of this resolution is to commend the Advisory Committee on Immunization Practices for its recommendation to immunize all children ages six months through age eighteen beginning July 1, 2009.

Hawaii Immunization Coalition and MedImmune supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 262 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1494 Health on H.C.R. No. 290**

The purpose of this concurrent resolution is to commend the Advisory Committee on Immunization Practices for its recommendation to immunize all children ages six months through age eighteen beginning July 1, 2009.

Hawaii Immunization Coalition and MedImmune supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 290 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1495 Health on H.R. No. 163**

The purpose of this resolution is to help Hawaii's rapidly expanding elderly population deal with the many complex problems they face by urging the University of Hawaii (UH) Administration to immediately expand its support for the Center on Aging, and take such steps as are necessary to re-open UH's gerontology certificate programs.

The Policy Advisory Board for Elder Affairs supported this resolution. UH and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 163 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1496 Health on H.C.R. No. 201**



The purpose of this concurrent resolution is to help Hawaii's rapidly expanding elderly population deal with the many complex problems they face by urging the University of Hawaii (UH) Administration to immediately expand its support for the Center on Aging, and take such steps as are necessary to re-open UH's gerontology certificate programs.

The Policy Advisory Board for Elder Affairs supported this concurrent resolution. UH and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1497      Health on H.R. No. 97**

The purpose of this resolution is to state the Legislature's support of the establishment of paid family leave in Hawaii and to urge the business community to do the same.

The Policy Advisory Board for Elder Affairs and ILWU Local 142 supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 97 and recommends that it be referred to the Committees on Labor & Public Employment and Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1498      Health on H.C.R. No. 120**

The purpose of this concurrent resolution is to state the Legislature's support of the establishment of paid family leave in Hawaii and to urge the business community to do the same.

The Policy Advisory Board for Elder Affairs and ILWU Local 142 supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120 and recommends that it be referred to the Committees on Labor & Public Employment and Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1499      Health on H.R. No. 98**

The purpose of this resolution is to work to ensure that rape victims and victims of sexual assault receive the fullest and best care available according to the standards set by the American College of Obstetricians and Gynecologists and other professional medical groups by urging all hospital emergency rooms in the state to adhere to the accepted standard of care for victims of rape and sexual assault, including the administration of emergency contraception.

The Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Community Alliance on Prisons, Hawaii Women's Political Caucus, Hawaii State Democratic Women's Caucus, Filipinos for Affirmative Action, Filipino American Citizens League, Nursing Advocates and Mentors, Inc., Healthy Mothers Health Babies Coalition of Hawaii, and several concerned individuals supported this resolution. The Hawaii Medical Center and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 98 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Carroll.  
(Representative Finnegan voted no.)

**SCRep. 1500      Health on H.C.R. No. 121**

The purpose of this concurrent resolution is to work to ensure that rape victims and victims of sexual assault receive the fullest and best care available according to the standards set by the American College of Obstetricians and Gynecologists and other professional medical groups by urging all hospital emergency rooms in the state to adhere to the accepted standard of care for victims of rape and sexual assault, including the administration of emergency contraception.

The Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Community Alliance on Prisons, Hawaii Women's Political Caucus, Hawaii State Democratic Women's Caucus, Filipinos for Affirmative Action, Filipino American Citizens League, Nursing Advocates and Mentors, Inc., Healthy Mothers Health Babies Coalition of Hawaii, and several concerned individuals supported this concurrent resolution. The Hawaii Medical Center and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 121 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Carroll.  
(Representative Finnegan voted no.)

**SCRep. 1501      Health on H.R. No. 107**

The purpose of this resolution is to discourage disreputable medical actions by urging medical and professional organizations in Hawaii that provide reproductive and fertility treatments to develop ethical standards and professional guidelines for embryo implantation.

A concerned individual supported this resolution. The Hawaii Medical Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 107 and recommends that it be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1502            Health on H.C.R. No. 130**

The purpose of this concurrent resolution is to discourage disreputable medical actions by urging medical and professional organizations in Hawaii that provide reproductive and fertility treatments to develop ethical standards and professional guidelines for embryo implantation.

A concerned individual supported this concurrent resolution. The Hawaii Medical Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130 and recommends that it be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1503            Health on H.C.R. No. 97**

The purpose of this concurrent resolution is to work to ensure Hawaii's respiratory therapists are qualified, professional services providers by requesting that the Auditor, pursuant to section 26H-6, Hawaii Revised Statutes, perform an analysis of the proposed regulation of respiratory care practitioners, including the establishment of a board of respiratory care, as proposed in House Bill No. 1823 (2009).

Hawaii Chronic Obstructive Pulmonary Disease Coalition, Hawaii Society for Respiratory Care, Hawaii Medical Association, and several concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1504            Health on H.C.R. No. 223**

The purpose of this concurrent resolution is to ensure quality mental health services by requesting that the Auditor conduct a financial, program, and management audit of the Department of Health's (DOH) community based mental health centers and the Wai'anae Coast Community Mental Health Center, Hale Na'au Pono.

Hale Na'au Pono and several concerned individuals supported this concurrent resolution. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti and Carroll.

**SCRep. 1505            Hawaiian Affairs on H.R. No. 133**

The purpose of this resolution is to enrich the experience of visitors to the Hawaii State Capitol by requesting the Office of Hawaiian Affairs, with the assistance of the Bernice Pauahi Bishop Museum, to develop a plan to build replicas of Hawaiian hale surrounded by appropriate tropical foliage on the State Capitol lawn to serve as visitor rest areas.

The Representative of the 11<sup>th</sup> District supported this measure. The Office of Hawaiian Affairs supported the intent of this measure. Several individuals opposed this measure.

Your Committee requests the Department of Land and Natural Resources to consider funding this worthy project.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 133 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1506            Hawaiian Affairs on H.C.R. No. 166**

The purpose of this concurrent resolution is to enrich the experience of visitors to the Hawaii State Capitol by requesting the Office of Hawaiian Affairs, with the assistance of the Bernice Pauahi Bishop Museum, to develop a plan to build replicas of Hawaiian hale surrounded by appropriate tropical foliage on the State Capitol lawn to serve as visitor rest areas.

The Representative of the 11<sup>th</sup> District supported this measure. The Office of Hawaiian Affairs supported the intent of this measure. Several individuals opposed this measure.

Your Committee requests the Department of Land and Natural Resources to consider funding this worthy project.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1507 Hawaiian Affairs on H.R. No. 134**

The purpose of this resolution is to add kalo to the symbols of Hawaii that are a part of the Hawaii State Capitol, by requesting the University of Hawaii (UH) College of Tropical Agriculture and Human Resources, in consultation with the Office of Hawaiian Affairs, to study the feasibility of planting kalo in the reflecting pools that surround the State Capitol building.

The Representative of the 11<sup>th</sup> District and a concerned individual supported this measure. UH at Manoa supported the intent of this measure. A concerned individual submitted comments.

UH was concerned that planting kalo would add to the costs of maintaining the reflecting pools surrounding the State Capitol, and cause drainage issues. Your Committee believes that instead of maintaining the reflecting pools, consideration should be given to replacing these pools with dry land kalo, and perhaps, a symbolic representation of the surrounding ocean waters. This may result in a solution that costs less than current estimates of conducting needed repairs on the pools, while enhancing the historic and symbolic value of the State Capitol building. However, your Committee also believes that the Office of Hawaiian Affairs should make any final decision on whether dry land or another type of kalo is preferred.

Your Committee has amended this resolution by:

- (1) Amending its title to read: "HOUSE RESOLUTION REQUESTING THE COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES AT THE UNIVERSITY OF HAWAII TO STUDY THE FEASIBILITY OF PLANTING NON-GENETICALLY MODIFIED KALO IN THE REFLECTING POOL THAT SURROUNDS THE STATE CAPITOL BUILDING";
- (2) Specifying that the requested study consider the feasibility of planting non-genetically modified taro around the State Capitol building; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 134, as amended herein, and recommends that it be referred to the Committee on Agriculture in the form attached hereto as H.R. No. 134, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1508 Hawaiian Affairs on H.C.R. No. 167**

The purpose of this concurrent resolution is to add kalo to the symbols of Hawaii that are a part of the Hawaii State Capitol, by requesting the University of Hawaii (UH) College of Tropical Agriculture and Human Resources, in consultation with the Office of Hawaiian Affairs, to study the feasibility of planting kalo in the reflecting pools that surround the State Capitol building.

The Representative of the 11<sup>th</sup> District and a concerned individual supported this measure. UH at Manoa supported the intent of this measure. A concerned individual submitted comments.

UH was concerned that planting kalo would add to the costs of maintaining the reflecting pools surrounding the State Capitol, and cause drainage issues. Your Committee believes that instead of maintaining the reflecting pools, consideration should be given to replacing these pools with dry land kalo, and perhaps, a symbolic representation of the surrounding ocean waters. This may result in a solution that costs less than current estimates of conducting needed repairs on the pools, while enhancing the historic and symbolic value of the State Capitol building. However, your Committee also believes that the Office of Hawaiian Affairs should make any final decision on whether dry land or another type of kalo is preferred.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES AT THE UNIVERSITY OF HAWAII TO STUDY THE FEASIBILITY OF PLANTING NON-GENETICALLY MODIFIED KALO IN THE REFLECTING POOL THAT SURROUNDS THE STATE CAPITOL BUILDING";
- (2) Specifying that the requested study consider the feasibility of planting non-genetically modified taro around the State Capitol building; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, as amended herein, and recommends that it be referred to the Committee on Agriculture in the form attached hereto as H.C.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1509 Hawaiian Affairs on H.R. No. 103**

The purpose of this resolution is to request that the University of Hawaii's Public Policy Center, as it reviews and develops data sources and benchmarks for the major goals of the 2050 Sustainability Plan, meet with and adopt the recommendations of the Kanaka Maoli Committee.

The University of Hawaii at Manoa opposed this measure. The University of Hawaii's Social Sciences Public Policy Center submitted comments.

Your Committee recognizes the concerns of UH concerning the current fiscal situation and likely budget reductions for UH over the next two fiscal years, but believes that the recommendations of the Kanaka Maoli Committee are an essential component of a successful 2050 Sustainability Plan.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 103 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1510 Hawaiian Affairs on H.C.R. No. 125**

The purpose of this concurrent resolution is to request that the University of Hawaii's Public Policy Center, as it reviews and develops data sources and benchmarks for the major goals of the 2050 Sustainability Plan, meet with and adopt the recommendations of the Kanaka Maoli Committee.

The University of Hawaii at Manoa opposed this measure. The University of Hawaii's Social Sciences Public Policy Center submitted comments.

Your Committee recognizes the concerns of UH concerning the current fiscal situation and likely budget reductions for UH over the next two fiscal years, but believes that the recommendations of the Kanaka Maoli Committee are an essential component of a successful 2050 Sustainability Plan.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1511 Hawaiian Affairs on H.R. No. 104**

The purpose of this resolution is to recognize and honor eligible kupuna for their accomplishments, based on Hawaiian standards, by requesting the Office of Hawaiian Affairs (OHA) to work with the Hawai'i inuiākea School of Hawaiian Knowledge of the University of Hawaii (UH) to develop a kupuna honorary degree program that will award the Pohaku Degree, the Hawaii equivalent of the Nobel Prize.

OHA supported this measure with amendments. UH at Manoa commented on this measure.

Your Committee has amended this resolution as requested by OHA and UH, by:

- (1) Amending the title to read: "REQUESTING THE EDUCATION DIVISION OF THE OFFICE OF HAWAIIAN AFFAIRS TO WORK WITH THE HAWAI'INUIAKEA SCHOOL OF HAWAIIAN KNOWLEDGE OF THE UNIVERSITY OF HAWAII TO DEVELOP A KUPUNA HONORARY DEGREE PROGRAM";
- (2) Specifying that the Education Division of OHA is to develop the award in consultation with the UH Hawai'i inuiākea School of Hawaiian Knowledge;
- (3) Removing references to "Pohaku Award" to allow the komike kupuna to name the award; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1512 Hawaiian Affairs on H.C.R. No. 126**

The purpose of this concurrent resolution is to recognize and honor eligible kupuna for their accomplishments, based on Hawaiian standards, by requesting the Office of Hawaiian Affairs (OHA) to work with the Hawai'i inuiākea School of Hawaiian Knowledge of the University of Hawaii (UH) to develop a kupuna honorary degree program that will award the Pohaku Degree, the Hawaii equivalent of the Nobel Prize.

OHA supported this measure with amendments. UH at Manoa commented on this measure.

Your Committee has amended this concurrent resolution as requested by OHA and UH, by:

- (1) Amending the title to read: "REQUESTING THE EDUCATION DIVISION OF THE OFFICE OF HAWAIIAN AFFAIRS TO WORK WITH THE HAWAI'INUIAKEA SCHOOL OF HAWAIIAN KNOWLEDGE OF THE UNIVERSITY OF HAWAII TO DEVELOP A KUPUNA HONORARY DEGREE PROGRAM";
- (2) Specifying that the Education Division of OHA is to develop the award in consultation with the UH Hawai'i inuiākea School of Hawaiian Knowledge;
- (3) Removing references to "Pohaku Award" to allow the komike kupuna to name the award; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 126, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.C.R. No. 126, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1513 Hawaiian Affairs on H.R. No. 183**

The purpose of this resolution is to allow native Hawaiian groups and individuals sufficient input into the designation of certain areas on Oahu as the Hawaii Capital National Heritage Area by requesting the members of Hawaii's congressional delegation to withdraw their support for designation of the area as the Hawaii Capital National Heritage Area (Hawaii Heritage Area).

The Hawaiian Political Action Council of Hawaii, Chinatown Improvement District, and many concerned individuals supported this measure. The Representative of the 27<sup>th</sup> District, Hawaii Capital Cultural Coalition (Coalition) and its partners, Friends of Iolani Palace, Native Hawaiian Hospitality Association, Arts District Merchants Association, and several concerned individuals opposed this resolution. The Department of Land and Natural Resources (DLNR) provided comments.

National Heritage Areas are areas designated by Congress, which are planned, implemented, and managed by the community, and eligible for federal funds. Hawaii's congressional delegation has introduced legislation to designate as a Hawaii Heritage Area, an area stretching from the Nuuanu Pali to the ocean, which includes downtown Honolulu and Chinatown, and sites such as the State Capitol, Iolani Palace, and the Royal Mausoleum at Mauna Ala.

Various local businesses, institutions, and individuals participating in the seven-year planning process for this proposed Hawaii Heritage Area have been brought together by the Coalition, a largely volunteer organization whose partners include arts, cultural, and historic organizations, and businesses and government agencies in the proposed Hawaii Heritage Area.

Although the Coalition included various Hawaiian organizations in this planning process, at the hearing of this resolution, the Coalition acknowledged that it had inadvertently failed to consult with Hawaiian homestead groups, who represent residents of the proposed Hawaii Heritage Area, thus failing to take into account the concerns and values of these residents.

Many of these residents now support this resolution to ensure that they are better informed by the Coalition about the proposed designation, and have a voice in the planning process and in any decision to seek designation as a Hawaii Heritage Area by Congress.

Your Committee also recognizes the concerns voiced by DLNR and by the Native Hawaiian Hospitality Association, which has been an active participant in the planning, that a delay in designation would also delay the receipt of federal funding that could be used to restore and manage, and fund educational and other programs supporting the culturally significant sites in the region.

However, your Committee believes that the residents of these islands, and the native Hawaiian community, in particular, must always be consulted before any decisions affecting the lands in which they live are made. Your Committee cannot control what occurs at the federal level, but concurs with this resolution to ensure that as the Coalition proceeds toward its objectives, it continues to consult with and include Hawaiian homestead organizations and other Hawaiian stakeholders, and consider their interests and concerns.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 183 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Bertram and Yamane.  
(Representative Ward voted no.)

**SCRep. 1514 Hawaiian Affairs on H.C.R. No. 213**

The purpose of this concurrent resolution is to allow native Hawaiian groups and individuals sufficient input into the designation of certain areas on Oahu as the Hawaii Capital National Heritage Area by requesting the members of Hawaii's congressional delegation to withdraw their support for designation of the area as the Hawaii Capital National Heritage Area (Hawaii Heritage Area).

The Hawaiian Political Action Council of Hawaii, Chinatown Improvement District, and many concerned individuals supported this measure. The Representative of the 27<sup>th</sup> District, Hawaii Capital Cultural Coalition (Coalition) and its partners, Friends of Iolani Palace, Native Hawaiian Hospitality Association, Arts District Merchants Association, and several concerned individuals opposed this concurrent resolution. The Department of Land and Natural Resources (DLNR) provided comments.

National Heritage Areas are areas designated by Congress, which are planned, implemented, and managed by the community, and eligible for federal funds. Hawaii's congressional delegation has introduced legislation to designate as a Hawaii Heritage Area, an area stretching from the Nuuanu Pali to the ocean, which includes downtown Honolulu and Chinatown, and sites such as the State Capitol, Iolani Palace, and the Royal Mausoleum at Mauna Ala.

Various local businesses, institutions, and individuals participating in the seven-year planning process for this proposed Hawaii Heritage Area have been brought together by the Coalition, a largely volunteer organization whose partners include arts, cultural, and historic organizations, and businesses and government agencies in the proposed Hawaii Heritage Area.

Although the Coalition included various Hawaiian organizations in this planning process, at the hearing of this concurrent resolution, the Coalition acknowledged that it had inadvertently failed to consult with Hawaiian homestead groups, who represent residents of the proposed Hawaii Heritage Area, thus failing to take into account the concerns and values of these residents.

Many of these residents now support this concurrent resolution to ensure that they are better informed by the Coalition about the proposed designation, and have a voice in the planning process and in any decision to seek designation as a Hawaii Heritage Area by Congress.

Your Committee also recognizes the concerns voiced by DLNR and by the Native Hawaiian Hospitality Association, which has been an active participant in the planning, that a delay in designation would also delay the receipt of federal funding that could be used to restore and manage, and fund educational and other programs supporting the culturally significant sites in the region.

However, your Committee believes that the residents of these islands, and the native Hawaiian community, in particular, must always be consulted before any decisions affecting the lands in which they live are made. Your Committee cannot control what occurs at the federal level, but concurs with this concurrent resolution to ensure that as the Coalition proceeds toward its objectives, it continues to consult with and include Hawaiian homestead organizations and other Hawaiian stakeholders, and consider their interests and concerns.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 213 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Bertram and Yamane.  
(Representative Ward voted no.)

**SCRep. 1515          Public Safety on H.R. No. 124**

The purpose of this resolution is to help reduce recidivism in the corrections system by requesting the Department of Public Safety (PSD) to review its efforts of providing reentry services to all inmates released from custody.

The Community Alliance on Prisons and a concerned individual supported this resolution. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 124 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1516          Public Safety on H.C.R. No. 154**

The purpose of this concurrent resolution is to help reduce recidivism in the corrections system by requesting the Department of Public Safety (PSD) to review its efforts of providing reentry services to all inmates released from custody.

The Community Alliance on Prisons and a concerned individual supported this concurrent resolution. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1517          Public Safety on H.R. No. 186**

The purpose of this resolution is to help community reentry outcomes for inmates being released by requesting that the Department of Public Safety (PSD) study the feasibility of:

- (1) Mandating all inmates to participate in in-facility programs, including workline programs; and
- (2) Increasing the scope and number of workline programs it currently operates at its prison and jail facilities.

The Community Alliance on Prisons supported this resolution. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 186 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1518          Public Safety on H.C.R. No. 216**

The purpose of this concurrent resolution is to help community reentry outcomes for inmates being released by requesting that the Department of Public Safety (PSD) study the feasibility of:

- (1) Mandating all inmates to participate in in-facility programs, including workline programs; and
- (2) Increasing the scope and number of workline programs it currently operates at its prison and jail facilities.

The Community Alliance on Prisons supported this concurrent resolution. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1519          Public Safety on H.R. No. 221**

The purpose of this resolution is to help ensure the safety of the public by requesting that the Auditor examine the rationale for the creation of Hawaii Paroling Authority (HPA) and audit the management and programs of the agency.

HPA submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 221 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1520          Public Safety on H.C.R. No. 252**

The purpose of this concurrent resolution is to help ensure the safety of the public by requesting that the Auditor examine the rationale for the creation of Hawaii Paroling Authority (HPA) and audit the management and programs of the agency.

HPA submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1521      Public Safety on H.C.R. No. 139**

The purpose of this concurrent resolution is to help reduce recidivism in the corrections system by requesting that the Legislative Reference Bureau (LRB) study the inmate reentry programs that have been or are planned to be implemented by the Department of Public Safety in accordance with Act 8, First Special Session Laws of Hawaii 2007.

The Community Alliance on Prisons, Drug Policy Action Group of Hawaii, and a concerned individual supported this concurrent resolution. LRB submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1522      Public Safety on H.C.R. No. 140**

The purpose of this concurrent resolution is to find solutions to the high costs associated with transporting people between the correctional facility in Hilo and court in Kona by requesting that the Legislative Reference Bureau (LRB) conduct a study on the costs and benefits of building an intake correctional center in the District of North or South Kona on the island of Hawaii.

The Department of Public Safety and LRB submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 140 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1523      Public Safety on H.R. No. 113**

The purpose of this resolution is to attempt to find a permanent solution to the problem of backlogged arrest warrants by urging the Judiciary, Department of Public Safety (PSD), county prosecutor offices, and county police departments to work in a coordinated effort to determine a comprehensive plan to permanently alleviate this problem that goes beyond only fiscal and budgetary discussions or solutions.

The Collection Law Section of the Hawaii State Bar Association, Downtown Neighborhood Board No. 13, and a concerned individual supported this resolution. PSD submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 113 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1524      Public Safety on H.C.R. No. 143**

The purpose of this concurrent resolution is to attempt to find a permanent solution to the problem of backlogged arrest warrants by urging the Judiciary, Department of Public Safety (PSD), county prosecutor offices, and county police departments to work in a coordinated effort to determine a comprehensive plan to permanently alleviate this problem that goes beyond only fiscal and budgetary discussions or solutions.

The Collection Law Section of the Hawaii State Bar Association, Downtown Neighborhood Board No. 13, and a concerned individual supported this concurrent resolution. PSD submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1525      Public Safety on H.R. No. 90**

The purpose of this resolution is to prevent the confiscation of medical marijuana and the arrest of qualifying patients when they travel by requesting that the United States Congress enact necessary legislation to allow qualified patients to transport medical marijuana and paraphernalia for personal use when traveling interstate.

The Drug Policy Forum of Hawaii, Drug Policy Action Group of Hawaii, Americans for Safe Access – Honolulu, Hawaii Chapter, and several concerned individuals supported this resolution. A concerned individual submitted comments.

Your Committee has amended this resolution by:

- (1) Specifying that intrastate travel be covered by legislation allowing for qualifying patients to carry their medical marijuana;

- (2) Changing the title to read: "REQUESTING CONGRESS TO ENACT NECESSARY LEGISLATION TO ALLOW QUALIFIED PATIENTS TO TRANSPORT MEDICAL MARIJUANA AND PARAPHERNALIA FOR PERSONAL USE WHEN TRAVELING INTRASTATE OR INTERSTATE"; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 90, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 90, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1526 Public Safety on H.C.R. No. 111**

The purpose of this concurrent resolution is to prevent the confiscation of medical marijuana and the arrest of qualifying patients when they travel by requesting that the United States Congress enact necessary legislation to allow qualified patients to transport medical marijuana and paraphernalia for personal use when traveling interstate.

The Drug Policy Forum of Hawaii, Drug Policy Action Group of Hawaii, Americans for Safe Access – Honolulu, Hawaii Chapter, and several concerned individuals supported this concurrent resolution. A concerned individual submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Specifying that intrastate travel be covered by legislation allowing for qualifying patients to carry their medical marijuana;
- (2) Changing the title to read: "REQUESTING CONGRESS TO ENACT NECESSARY LEGISLATION TO ALLOW QUALIFIED PATIENTS TO TRANSPORT MEDICAL MARIJUANA AND PARAPHERNALIA FOR PERSONAL USE WHEN TRAVELING INTRASTATE OR INTERSTATE"; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 111, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1527 Public Safety/Legislative Management on H.R. No. 162**

The purpose of this resolution is to work toward ensuring the safety of Hawaii inmates in mainland prisons by urging the Department of Public Safety (PSD) to include, in contracts with private or out-of-state prison facilities, provisions that inmate complaints are subject to investigation by the Office of the Ombudsman (Ombudsman).

The Community Alliance on Prisons, Drug Policy Action Group, Na Koa Ikaika, American Civil Liberties Union of Hawaii, and several concerned individuals supported this resolution. The Ombudsman and PSD submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 162 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 1528 Public Safety/Legislative Management on H.C.R. No. 200**

The purpose of this concurrent resolution is to work toward ensuring the safety of Hawaii inmates in mainland prisons by urging the Department of Public Safety (PSD) to include, in contracts with private or out-of-state prison facilities, provisions that inmate complaints are subject to investigation by the Office of the Ombudsman (Ombudsman).

The Community Alliance on Prisons, Drug Policy Action Group, Na Koa Ikaika, American Civil Liberties Union of Hawaii, and several concerned individuals supported this concurrent resolution. The Ombudsman and PSD submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 200 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 1529 Public Safety/Legislative Management on H.C.R. No. 199**

The purpose of this concurrent resolution is to ensure that Hawaii prisoners serving their sentences in the Corrections Corporation of America facilities in Arizona are receiving the appropriate services by requesting that the Auditor conduct a performance audit of the Saguaro Correctional Center in Eloy, Arizona.

The Community Alliance on Prisons, Drug Policy Action Group of Hawaii, American Civil Liberties Union of Hawaii, Na Koa Ikaika, Hawaii Government Employees Association, and several concerned individuals supported this concurrent resolution. The Department of Public Safety opposed this measure. Several concerned individual submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 199 and recommend that it be referred to the Committee on Finance.



Signed by all members of the Committee except Representative Saiki.

**SCRep. 1530 Education on H.C.R. No. 76**

The purpose of this concurrent resolution is to request the Department of Education to conduct a feasibility study on converting hard cover text books to e-books for use in public schools.

For the purposes of discussion, your Committee circulated a proposed draft in which the original contents were deleted and replaced with language that requests the Governor not to address the 2009 fiscal year budget shortfall by reducing or restricting the Department of Education's and University of Hawaii's current appropriations, but, with the Legislature, Department of Education (DOE), and University of Hawaii (UH), develop a plan to use the State Fiscal Stabilization Funds (SFSF) to stabilize funding for the DOE and UH for the 2009-2011 fiscal biennium.

The Board of Education, Community Children's Council of Hawaii, Special Education Advisory Council, Hawaii State Teacher's Association, and a concerned citizen testified in support of this measure. The Department of Education supported this measure with amendments.

Your Committee has amended the concurrent resolution, as received, by deleting its contents and replacing it with language that requests the Governor not to address the 2009 fiscal year budget shortfall by reducing or restricting the Department of Education's and University of Hawaii's current appropriations, but, with the Legislature, Department of Education (DOE), and University of Hawaii (UH), develop a plan to use the State Fiscal Stabilization Funds (SFSF) to stabilize funding for the DOE and UH for the 2009-2011 fiscal biennium. Your Committee has also:

- (1) Included the Board of Education and the Board of Regents of the University of Hawaii in the development of the plan;
- (2) Included the United States Secretary of Education and members of Hawaii's Congressional Delegation among those who should receive certified copies of the resolution; and
- (3) Changed the title of the resolution to, "REQUESTING THE GOVERNOR NOT TO ADDRESS THE 2009 FISCAL YEAR BUDGET SHORTFALL BY REDUCING OR RESTRICTING THE DEPARTMENT OF EDUCATION'S AND UNIVERSITY OF HAWAII'S CURRENT APPROPRIATIONS."

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 76, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chang and Saiki.

**SCRep. 1531 Education on S.C.R. No. 30**

The purpose of this concurrent resolution is to request the Department of Education to:

- (1) Conduct a feasibility study on converting hard cover text books to e-books for use in public schools, including considerations of cost and computer accessibility; and
- (2) Report its findings and recommendations, including cost estimates, to the 2010 Legislature.

The Department of Education and a concerned citizen supported this measure. The Disability and Communications Access Board supported this measure with amendments.

Your Committee has amended this measure by adding provisions to address the needs of blind and visually impaired individuals, including:

- (1) Stating that converting textbooks to an e-book format would make textbooks accessible to students who are blind or visually impaired without the necessity of converting the print format to braille;
- (2) Including in the study a review of accessibility features for students who are blind or visually impaired; and
- (3) Including in the study consideration for feedback from individuals who are blind or visually impaired regarding the use of e-books and screenreader technologies to ensure accessibility for all students.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 30, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chang and Saiki.

**SCRep. 1532 Education on S.C.R. No. 52**

The purpose of this concurrent resolution is to request that the Hookakoo Corporation:

- (1) Submit reports of its expanded learning time initiative that includes a description of the expanded learning time models that are or will be piloted by the Corporation's partner conversion charter schools;
- (2) Collaborate with the Department of Education on the development of plans to pilot expanded learning time models that promote the achievement and success of Hawaii's public school students, including the design of alternative models for expanded learning time and a framework for providing technical assistance to schools; and
- (3) Submit progress reports to the 2010 and 2011 Legislature.

The Department of Education, Hookakoo Corporation, Kualapuu School, Kamaile Academy, Waimea Middle School, Kamehameha Schools, and the Hawaii Association of Independent Schools testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 52, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang and Saiki.

**SCRep. 1533 Economic Revitalization, Business, & Military Affairs on H.R. No. 171**

The purpose of this resolution is to work toward comprehensively improving the Hawaii State Procurement Code by requesting the formation of a Joint Legislative Procurement Working Group to evaluate the Hawaii State Procurement Code and recommend improvements.

The University of Hawaii and Hawaii Farm Bureau Federation supported this measure. The Hawaii Alliance of Nonprofit Organizations and Hawaii Youth Services Network supported the intent of this measure. The Department of Accounting and General Services provided comments.

Your Committee has amended this resolution to reflect the original intention that the working group consist primarily of members of the Legislature, by:

- (1) Providing that three, instead of four members of the House of Representatives, consisting of two members of the majority party and one member of the minority party, are to be appointed to the working group;
- (2) Providing that three, instead of four members of the Senate, consisting of two members of the majority party and one member of the minority party, are to be appointed to the working group;
- (3) Allowing the other members of the working group to be invited to participate as interested parties;
- (4) Including representatives of trade unions in the list of interested parties; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 171, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 171, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Wakai, Wooley and Ward.

**SCRep. 1534 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 210**

The purpose of this concurrent resolution is to work toward comprehensively improving the Hawaii State Procurement Code by requesting the formation of a Joint Legislative Procurement Working Group to evaluate the Hawaii State Procurement Code and recommend improvements.

The University of Hawaii and Hawaii Farm Bureau Federation supported this measure. The Hawaii Alliance of Nonprofit Organizations and Hawaii Youth Services Network supported the intent of this measure. The Department of Accounting and General Services provided comments.

Your Committee has amended this concurrent resolution to reflect the original intention that the working group consist primarily of members of the Legislature, by:

- (1) Providing that three, instead of four members of the House of Representatives, consisting of two members of the majority party and one member of the minority party, are to be appointed to the working group;
- (2) Providing that three, instead of four members of the Senate, consisting of two members of the majority party and one member of the minority party, are to be appointed to the working group;
- (3) Allowing the other members of the working group to be invited to participate as interested parties;
- (4) Including representatives of trade unions in the list of interested parties; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 210, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 210, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Wakai, Wooley and Ward.

**SCRep. 1535 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 206**

The purpose of this measure is to request the Legislative Reference Bureau to study recent amendments to the Hawaii Administrative Rules relating to public construction contracts to determine whether those amendments are contrary to the letter or spirit of the Hawaii State Procurement Code.

Testimony in support of this measure was submitted by the Iron Workers Stabilization Fund. Comments on this measure were submitted by the Legislative Reference Bureau.

You Committee finds that the Hawaii Public Procurement Code, codified in chapter 103D, Hawaii Revised Statutes, was designed to create a method of awarding public contracts in a manner that ensures that public moneys are spent in a way that provides the best value for products and services delivered by the most qualified offeror. However, your Committee finds that recent interim amendments to the Hawaii Administrative Rules that address the awarding of public contracts for construction projects may have an effect that does not provide the best value for the public's money.

Your Committee is aware that interim amendments made to the Hawaii Administrative Rules for procurement are exempt from the public hearing, public notice, and gubernatorial approval requirements of Chapter 91, Hawaii Revised Statutes. Your Committee believes that the interim rulemaking process and the corresponding lack of public scrutiny may have resulted in the issuance of administrative rules for public construction contracts that may be contrary to the letter or spirit of the Hawaii Public Procurement Code.

Your Committee has amended this measure to:

- (1) Include language acknowledging that the Procurement Policy Board is authorized to adopt interim rules, valid for eighteen months, and not subject to public notice, hearing, or gubernatorial approval;
- (2) Clarify that amendments to be studied are those adopted since January 1, 2003, to the Hawaii Administrative Rules through interim rulemaking actions; and
- (3) Request the Legislative Reference Bureau to study the feasibility and advisability of establishing a mechanism that requires the procurement policy board to provide timely notice to trade unions or trade associations in Hawaii of the adoption of interim rules.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 206, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Wakai, Wooley and Ward.

**SCRep. 1536 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 124**

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to convene a task force to determine the proper interpretation and application of the phrase "incidental and supplemental" to construction project procurement bid proposals.

The Subcontractors Association of Hawaii, Hawaii Flooring Association, Roofing Contractors Association of Hawaii, Hawaii Wall and Ceiling Industries Association, Tile Contractors Promotional Program, Plumbing and Mechanical Contractors Association of Hawaii, Sheetmetal Contractors Association of Hawaii, Painting and Decorating Contractors Association, and Pacific Insulation Contractors Association supported this measure. The Iron Workers Stabilization Fund supported this measure with an amendment. The Building Industry Association of Hawaii, DCCA, Contractors License Board, and General Contractors Association of Hawaii opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Replacing the DCCA task force with a study by the Legislative Reference Bureau (LRB);
- (2) Requesting LRB to determine the extent of work that can be performed by a specialty contractor when the specialty contractor is not licensed for that work;
- (3) Requesting LRB to consider the interests and protection of consumers in conducting the study;
- (4) Amending the title of this concurrent resolution to read: "HOUSE CONCURRENT RESOLUTION REQUESTING A STUDY TO DETERMINE THE PROPER INTERPRETATION AND APPLICATION OF THE PHRASE "INCIDENTAL AND SUPPLEMENTAL" WITH REGARD TO THE CONTRACTING BUSINESS"; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Wakai, Wooley and Ward.

**SCRep. 1537 Housing on H.R. No. 253**

The purpose of this resolution is to improve access to public housing by urging the Hawaii Public Housing Authority (Authority) to eliminate preferences in the public housing application process.

Several concerned individuals testified in support of this resolution. The Authority, Hawaii Family Forum, Hawaii Catholic Conference, Catholic Charities Hawaii, and Community Alliance Partners opposed this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 253 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Ching and Thielen.

**SCRep. 1538 Housing on H.C.R. No. 281**

The purpose of this concurrent resolution is to improve access to public housing by urging the Hawaii Public Housing Authority (Authority) to eliminate preferences in the public housing application process.

Several concerned individuals testified in support of this concurrent resolution. A concerned individual supported the intent of this measure. The Authority, Hawaii Family Forum, Hawaii Catholic Conference, Catholic Charities Hawaii, Community Alliance Partners, and Legal Aid Society of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 281 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Ching and Thielen.

**SCRep. 1539 Human Services/Health on H.R. No. 118**

The purpose of this resolution is to help increase support to Hawaii's Medicaid program by requesting the United States Congress to legislatively increase the Federal Medical Assistance Percentage for Hawaii.

The Healthcare Association of Hawaii and Faith Action for Community Equity supported this resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 118 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane, Finnegan and Ward.

**SCRep. 1540 Human Services/Health on H.C.R. No. 147**

The purpose of this concurrent resolution is to help increase support to Hawaii's Medicaid program by requesting the United States Congress to legislatively increase the Federal Medical Assistance Percentage for Hawaii.

The Healthcare Association of Hawaii and Faith Action for Community Equity supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 147 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane, Finnegan and Ward.

**SCRep. 1541 Human Services/Health on H.R. No. 167**

The purpose of this resolution is to assist veterans and their families by requesting the Office of Veterans' Affairs and the Hawaii Public Housing Authority to widely distribute information regarding the availability of veterans' preference in state low-income housing projects under state law.

Several concerned individuals supported this resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 167, H.D. 1, and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane, Finnegan and Ward.

**SCRep. 1542 Human Services/Health on H.C.R. No. 205**

The purpose of this concurrent resolution is to assist veterans and their families by requesting the Office of Veterans' Affairs and the Hawaii Public Housing Authority to widely distribute information regarding the availability of veterans' preference in state low-income housing projects under state law.

Several concerned individuals supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 205, H.D. 1, and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane, Finnegan and Ward.

**SCRep. 1543 Human Services/Health on H.R. No. 238**

The purpose of this resolution is to:

- (1) Declare that the Legislature is opposed to the proposed amendments to the Developmental Disabilities Assistance and Bill of Rights Act of 2000 as published on April 10, 2008, in the Federal Register, and urge the United States Congress to do the same; and
- (2) State that in the process of reauthorization, the Developmental Disabilities Assistance and Bill of Rights Act of 2000 should include provisions regarding oversight, protocol, and transparency with respect to the designated advocacy service provider.

Several concerned individuals supported this resolution. The State Council on Developmental Disabilities and Hawaii Disability Rights Center (HDRC) opposed this resolution.

Your Committees note the concerns raised by HDRC that there are numerous inaccuracies in this resolution regarding the contents of the proposed regulations. HDRC stated that the main thrust of the proposed regulations is to codify court decisions which may have been issued regarding the authority of the protection and advocacy systems or to conform these developmental disability regulations with those that govern the program for the Protection and Advocacy for Individuals with Mental Illness. Additionally, HDRC stated that the public comment period for these proposed regulations has elapsed, meaning that any expression of support or opposition by the Legislature will not be entered as part of the record.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 238 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Finnegan and Ward.

**SCRep. 1544 Human Services/Health on H.C.R. No. 268**

The purpose of this concurrent resolution is to:

- (1) Declare that the Legislature is opposed to the proposed amendments to the Developmental Disabilities Assistance and Bill of Rights Act of 2000 as published on April 10, 2008, in the Federal Register, and urge the United States Congress to do the same; and
- (2) State that in the process of reauthorization, the Developmental Disabilities Assistance and Bill of Rights Act of 2000 should include provisions regarding oversight, protocol, and transparency with respect to the designated advocacy service provider.

Several concerned individuals supported this concurrent resolution. The State Council on Developmental Disabilities and Hawaii Disability Rights Center (HDRC) opposed this concurrent resolution.

Your Committees note the concerns raised by HDRC that there are numerous inaccuracies in this concurrent resolution regarding the contents of the proposed regulations. HDRC stated that the main thrust of the proposed regulations is to codify court decisions which may have been issued regarding the authority of the protection and advocacy systems or to conform these developmental disability regulations with those that govern the program for the Protection and Advocacy for Individuals with Mental Illness. Additionally, HDRC stated that the public comment period for these proposed regulations has elapsed, meaning that any expression of support or opposition by the Legislature will not be entered as part of the record.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 268 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Finnegan and Ward.

**SCRep. 1545 Human Services/Health on H.C.R. No. 54**

The purpose of this concurrent resolution is to request an increase in Medicare payments to physicians rendering services in Hawaii.

Testimony in support of this measure was submitted from the Department of Human Services and Hawaii Pacific Health.

Your Committees support the request to increase geographic practice cost indices reimbursements for Medicaid and Medicare services rendered in Hawaii. Since the geographic practice cost indices for Hawaii in 2005 were significantly lower than that of Alaska in the corresponding year and Congress implemented a baseline for Alaska, it stands reasonable to set a higher reimbursement rate for Hawaii as well.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 54 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Yamane.

**SCRep. 1546 Tourism, Culture, & International Affairs on H.R. No. 138**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to convene a working group to research and report on the viability of attracting tourists to Hawaii to participate in riflery, archery, and hunting activities and to present the findings and recommendations of the working group, including any proposed legislation, to the Legislature twenty days prior to the convening of the 2010 Regular Session.

The Department of Business, Economic Development and Tourism offered comments on this resolution.

Several concerned individuals supported this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 138 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1547 Tourism, Culture, & International Affairs on H.C.R. No. 174**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism to convene a working group to research and report on the viability of attracting tourists to Hawaii to participate in riflery, archery, and hunting activities and to present the findings and recommendations of the working group, including any proposed legislation, to the Legislature twenty days prior to the convening of the 2010 Regular Session.

The Department of Business, Economic Development and Tourism offered comments on this concurrent resolution.

Several concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1548 Tourism, Culture, & International Affairs on H.R. No. 268**

The purpose of this resolution is to urge the Emma Kwock Chun Corporation, with the assistance and guidance of the State Historic Preservation Office and the Historic Hawaii Foundation, to apply President Barak Obama's Punahou Circle apartment home for placement on the National Register of Historic Places.

The Historic Hawaii Foundation supported this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 268 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.  
(Representative Marumoto voted no.)

**SCRep. 1549      Tourism, Culture, & International Affairs on H.C.R. No. 296**

The purpose of this concurrent resolution is to urge the Emma Kwock Chun Corporation, with the assistance and guidance of the State Historic Preservation Office and the Historic Hawaii Foundation, to apply President Barak Obama's Punahou Circle apartment home for placement on the National Register of Historic Places.

The Historic Hawaii Foundation supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 296 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.  
(Representative Marumoto voted no.)

**SCRep. 1550      Tourism, Culture, & International Affairs on H.R. No. 157**

The purpose of this resolution is to request the establishment of a task force to study language accessibility within the tourism industry in Hawaii, particularly with regard to the anticipated increases in visitors from Korea and China, and for the task force to submit its findings and recommendations, including cost estimates and any necessary legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

The Hawaii Tourism Authority offered comments on this resolution.

The Office of Language Access supported this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1551      Tourism, Culture, & International Affairs on H.C.R. No. 194**

The purpose of this concurrent resolution is to request the establishment of a task force to study language accessibility within the tourism industry in Hawaii, particularly with regard to the anticipated increases in visitors from Korea and China, and for the task force to submit its findings and recommendations, including cost estimates and any necessary legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

The Hawaii Tourism Authority offered comments on this concurrent resolution.

The Office of Language Access supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1552      Tourism, Culture, & International Affairs on H.R. No. 210**

The purpose of this resolution is to recognize October 11<sup>th</sup> as a state holiday in honor of Blessed Damien.

A member of the Maui County Council supported this resolution.

Although the resolution states that state departments and agencies are not required to recognize this as a paid holiday, your Committee notes that concerns were raised regarding the implications of referring to this as a "state holiday."

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 210 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1553      Tourism, Culture, & International Affairs on H.C.R. No. 241**

The purpose of this concurrent resolution is to recognize October 11<sup>th</sup> as a state holiday in honor of Blessed Damien.

A member of the Maui County Council supported this concurrent resolution.

Although the resolution states that state departments and agencies are not required to recognize this as a paid holiday, your Committee notes that concerns were raised regarding the implications of referring to this as a "state holiday."

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 241 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey and Wakai.

**SCRep. 1554      Tourism, Culture, & International Affairs on H.R. No. 189**

The purpose of this resolution is to request the Hawaii Sister State Committee to evaluate the feasibility of extending a sister state or province relationship with Bruyeres, France.

The Department of Business, Economic Development, and Tourism offered comments.

Your Committee has amended this resolution by:

- (1) Changing its title to read, "REQUESTING THE SISTER STATE COMMITTEE TO EVALUATE AND DEVELOP RECOMMENDATIONS FOR THE INITIATION OF A SISTER STATE OR PROVINCE RELATIONSHIP WITH LORRAINE, FRANCE";
- (2) Clarifying the focus of the relationship to the region of Lorraine, in which the town of Bruyeres is located;
- (3) Sending a certified copy of this resolution to the President of the Regional Council of Lorraine; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 189, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 189, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1555      Tourism, Culture, & International Affairs on H.C.R. No. 220**

The purpose of this concurrent resolution is to request the Hawaii Sister State Committee to evaluate the feasibility of extending a sister state or province relationship with Bruyeres, France.

The Department of Business, Economic Development, and Tourism offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read, "REQUESTING THE SISTER STATE COMMITTEE TO EVALUATE AND DEVELOP RECOMMENDATIONS FOR THE INITIATION OF A SISTER STATE OR PROVINCE RELATIONSHIP WITH LORRAINE, FRANCE";
- (2) Clarifying the focus of the relationship to the region of Lorraine, in which the town of Bruyeres is located;
- (3) Sending a certified copy of this concurrent resolution to the President of the Regional Council of Lorraine; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 220, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1556      Tourism, Culture, & International Affairs on H.R. No. 277**

The purpose of this resolution is to encourage the University of Hawaii at Manoa (UH-Manoa) to establish a Muslims in Asia Research Institute.

Shangri La and several concerned individuals supported this resolution. Several concerned individuals offered comments.

Your Committee has amended this resolution by:

- (1) Changing its title to read, "REQUESTING THE UNIVERSITY OF HAWAII AT MANOA TO ESTABLISH A MUSLIMS IN ASIA RESEARCH AND STUDIES INSTITUTE";
- (2) Requesting UH-Manoa, through the Muslims in Asia Research and Studies Institute, to establish an exchange program with the University of Mindanao in the Philippines;
- (3) Sending certified copies of the resolution to the United States Secretary of State, President of the University of Mindanao, President of the East-West Center, Director of the Asia-Pacific Center for Security Studies, and Chair of the Muslim Association of Hawaii; and

- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 277, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 277, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1557      Tourism, Culture, & International Affairs on H.C.R. No. 305**

The purpose of this concurrent resolution is to encourage the University of Hawaii at Manoa (UH-Manoa) to establish a Muslims in Asia Research Institute.

Shangri La and several concerned individuals supported this concurrent resolution. Several concerned individuals offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read, "REQUESTING THE UNIVERSITY OF HAWAII AT MANOA TO ESTABLISH A MUSLIMS IN ASIA RESEARCH AND STUDIES INSTITUTE";
- (2) Requesting UH-Manoa, through the Muslims in Asia Research and Studies Institute, to establish an exchange program with the University of Mindanao in the Philippines;
- (3) Sending certified copies of the concurrent resolution to the United States Secretary of State, President of the University of Mindanao, President of the East-West Center, Director of the Asia-Pacific Center for Security Studies, and Chair of the Muslim Association of Hawaii; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 305, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 305, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Tokioka and Wakai.

**SCRep. 1558      Public Safety on H.R. No. 123**

The purpose of this resolution is to set the groundwork for implementing the return and reentry provisions of Act 8, First Special Session Laws of Hawaii 2007, and ease the overall correctional facilities overcrowding problem within the state by requesting that the Legislative Reference Bureau (LRB) study:

- (1) The feasibility of constructing correctional facilities at the animal quarantine station at Halawa, Oahu;
- (2) Whether the State may consider the sale or lease of lands presently housing the Oahu Community Correctional Center; and
- (3) Whether the proceeds from the sale or lease of these lands may be sufficient to finance the construction of a new prison facility.

The Department of Agriculture (DOA) and LRB submitted comments.

Your Committee recognizes that the proposed site is currently being used by DOA for its animal quarantine station to evaluate dogs and cats entering the state and that construction of a correctional facility there would require relocating DOA's active quarantine program.

Your Committee notes DOA's concerns about the suggested use of the quarantine station and respectfully requests that your Committee on Legislative Management consider the possibility of amending the parameters of the feasibility study to include:

- (1) The costs of finding a new site and constructing a new facility for DOA's program; and
- (2) The effects on other programs currently run at the quarantine station including those run by the United States (U.S.) Department of Agriculture, U.S. Customs and Border Protection, and the U.S. Army.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 123 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1559      Public Safety on H.C.R. No. 153**

The purpose of this concurrent resolution is to set the groundwork for implementing the return and reentry provisions of Act 8, First Special Session Laws of Hawaii 2007, and ease the overall correctional facilities overcrowding problem within the state by requesting that the Legislative Reference Bureau (LRB) study:

- (1) The feasibility of constructing correctional facilities at the animal quarantine station at Halawa, Oahu;
- (2) Whether the State may consider the sale or lease of lands presently housing the Oahu Community Correctional Center; and
- (3) Whether the proceeds from the sale or lease of these lands may be sufficient to finance the construction of a new prison facility.



The Department of Agriculture (DOA) and LRB submitted comments.

Your Committee recognizes that the proposed site is currently being used by DOA for its animal quarantine station to evaluate dogs and cats entering the state and that construction of a correctional facility there would require relocating DOA's active quarantine program.

Your Committee notes DOA's concerns about the suggested use of the quarantine station and respectfully requests that your Committee on Legislative Management consider the possibility of amending the parameters of the feasibility study to include:

- (1) The costs of finding a new site and constructing a new facility for DOA's program; and
- (2) The effects on other programs currently run at the quarantine station including those run by the United States (U.S.) Department of Agriculture, U.S. Customs and Border Protection, and the U.S. Army.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1560 Public Safety on H.R. No. 132**

The purpose of this resolution is to work to stop law enforcement raids on legitimate medical marijuana providers and patients by requesting that the United States (US) Drug Enforcement Agency recognize President Barack Obama's opposition to use of federal resources for medical marijuana raids and to stop engaging in medical marijuana raids to circumvent state law.

The Drug Policy Forum of Hawaii, Drug Policy Action Group of Hawaii, Americans for Safe Access – Honolulu, Hawaii Chapter, and several concerned individuals supported this resolution. The American Civil Liberties Union of Hawaii supported the intent of this measure. A concerned individual opposed this concurrent resolution. A concerned individual submitted comments.

Your Committee has amended this resolution by:

- (1) Requesting that the President and US Attorney General direct the Department of Justice's Drug Enforcement Agency to stop engaging in medical marijuana raids to circumvent state law;
- (2) Changing its title to read: "REQUESTING THE PRESIDENT AND UNITED STATES ATTORNEY GENERAL TO DIRECT THE DEPARTMENT OF JUSTICE'S DRUG ENFORCEMENT ADMINISTRATION TO STOP ENGAGING IN MEDICAL MARIJUANA RAIDS THAT CIRCUMVENT STATE LAWS PERMITTING MEDICAL USE OF MARIJUANA";
- (3) Directing that a certified copy of this concurrent resolution be sent to the President of the United States; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 132, as amended herein, and recommends that it be referred to the Committee on Health in the form attached hereto as H.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1561 Public Safety on H.C.R. No. 165**

The purpose of this concurrent resolution is to work to stop law enforcement raids on legitimate medical marijuana providers and patients by requesting that the United States (US) Drug Enforcement Agency recognize President Barack Obama's opposition to use of federal resources for medical marijuana raids and to stop engaging in medical marijuana raids to circumvent state law.

The Drug Policy Forum of Hawaii, Drug Policy Action Group of Hawaii, Americans for Safe Access – Honolulu, Hawaii Chapter, and several concerned individuals supported this concurrent resolution. The American Civil Liberties Union of Hawaii supported the intent of this measure. A concerned individual opposed this concurrent resolution. A concerned individual submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that the President and US Attorney General direct the Department of Justice's Drug Enforcement Agency to stop engaging in medical marijuana raids to circumvent state law;
- (2) Changing its title to read: "REQUESTING THE PRESIDENT AND UNITED STATES ATTORNEY GENERAL TO DIRECT THE DEPARTMENT OF JUSTICE'S DRUG ENFORCEMENT ADMINISTRATION TO STOP ENGAGING IN MEDICAL MARIJUANA RAIDS THAT CIRCUMVENT STATE LAWS PERMITTING MEDICAL USE OF MARIJUANA";
- (3) Directing that a certified copy of this concurrent resolution be sent to the President of the United States; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165, as amended herein, and recommends that it be referred to the Committee on Health in the form attached hereto as H.C.R. No. 165, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1562 Public Safety/Legislative Management on H.R. No. 264**

The purpose of this measure is to request the Legislative Reference Bureau to study the feasibility of using the facilities at the United States Naval Reservation at Lualualei as an emergency shelter.

A resident of the Nanakuli area testified in support of the measure. The Director of Civil Defense of the State Department of Defense testified in support, and the Legislative Reference Bureau offered comments.

Your Committees find that Farrington Highway is the only evacuation route that may be used by residents of the leeward coast to reach other areas of Oahu in the event of an emergency. Although the Lualualei Naval Reservation is in an area that could shelter leeward residents from the impact of most natural disasters, your Committees have concerns about the safety of residents taking shelter in a facility that is used by the Navy to store seventy-eight thousand tons of high explosive munitions.

Your Committees find that the Lualualei Naval Road, also known as the Kolekole Pass Road, is the only passage through the Waianae mountain range that connects the leeward coast to central Oahu. However, this road is closed to civilian traffic. Lualualei Naval Road, if opened to civilian traffic during a natural disaster or emergency, could serve as an evacuation route for residents of the leeward coast. Your Committees believe that the use of the Lualualei Naval Road to evacuate residents of the leeward coast in the event of a natural disaster could save lives.

Accordingly, your Committees have amended this measure by deleting the request for the Legislative Reference Bureau to study the feasibility of using the Lualualei Naval Reservation as an emergency shelter. As amended, this measure instead requests the Bureau to study the feasibility of using the Lualualei Naval Road as an emergency evacuation route in the event of a natural disaster or other type of emergency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 264, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 264, H.D. 1.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 1563      Public Safety/Legislative Management on H.C.R. No. 292**

The purpose of this measure is to request the Legislative Reference Bureau to study the feasibility of using the facilities at the United States Naval Reservation at Lualualei as an emergency shelter.

A resident of the Nanakuli area testified in support of the measure. The Director of Civil Defense of the State Department of Defense testified in support, and the Legislative Reference Bureau offered comments.

Your Committees find that Farrington Highway is the only evacuation route that may be used by residents of the leeward coast to reach other areas of Oahu in the event of an emergency. Although the Lualualei Naval Reservation is in an area that could shelter leeward residents from the impact of most natural disasters, your Committees have concerns about the safety of residents taking shelter in a facility that is used by the Navy to store seventy-eight thousand tons of high explosive munitions.

Your Committees find that the Lualualei Naval Road, also known as the Kolekole Pass Road, is the only passage through the Waianae mountain range that connects the leeward coast to central Oahu. However, this road is closed to civilian traffic. Lualualei Naval Road, if opened to civilian traffic during a natural disaster or emergency, could serve as an evacuation route for residents of the leeward coast. Your Committees believe that the use of the Lualualei Naval Road to evacuate residents of the leeward coast in the event of a natural disaster could save lives.

Accordingly, your Committees have amended this measure by deleting the request for the Legislative Reference Bureau to study the feasibility of using the Lualualei Naval Reservation as an emergency shelter. As amended, this measure instead requests the Bureau to study the feasibility of using the Lualualei Naval Road as an emergency evacuation route in the event of a natural disaster or other type of emergency.

As affirmed by the records of votes of the members of your Committees on Public Safety and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 292, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 292, H.D. 1.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 1564      Economic Revitalization, Business, & Military Affairs on S.C.R. No. 47**

The purpose of this concurrent resolution is to recognize the sacrifices, courage, and service of members of the United States Army Noncommissioned Officer Corps by proclaiming 2009 as the year of the Noncommissioned Officer Corps of the United States Army.

No testimony was received on this concurrent resolution.

Your Committee finds that the Noncommissioned Officer Corps serves as the primary leaders for the enlisted corps, and the primary military leaders responsible for executing the military's mission, and training military personnel. Often referred to as "the backbone" of the armed services, these officers deserve to be honored for their patriotism and courage, and the invaluable service they provide to our nation.

Your Committee has amended this concurrent resolution by including the following major Army commanders in Hawaii in the list of persons who are to receive certified copies of this concurrent resolution: Commander, U.S. Army, Pacific, Adjutant General, Hawaii Department of Defense, and Commander, 9<sup>th</sup> Regional Readiness Command.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Wakai, Wooley and Ward.

**SCRep. 1565      Judiciary on S.B. No. 532**

The purpose of this bill is to limit the liability of an owner of real property for the injury or death of a perpetrator that occurs on the owner's property during the commission of certain felonies.

The National Rifle Association of America, Hawaii Rifle Association, and a concerned individual testified in support of this measure. The Hawaii Association for Justice provided comments.

Your Committee has amended this measure by restricting the limitation of homeowner liability to those circumstances in which the perpetrator has been charged and convicted of one of the enumerated felonies, or convicted of a lesser included felony or misdemeanor arising from the same charge. By requiring a criminal conviction as a condition precedent to the limitation of liability, this measure as amended does not extend to a situation in which a perpetrator is killed by a homeowner during the commission of a crime.

Your Committee has also made technical, nonsubstantive revisions for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 532, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 532, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 1566      Judiciary on S.B. No. 1222**

The purpose of this bill is to:

- (1) Clarify the description of the offense of cruelty in animals in the second degree;
- (2) Include within the offense of cruelty to animals in the second degree:
  - (A) Confining a pet animal in a cruel or inhumane manner or for an unreasonable period of time; and
  - (B) Restraining a dog to a stationary object by means of a chain or a restraint that can choke or entangle the dog;
- (3) Amend the animal hoarding statute to reduce from 20 to 15 the number of dogs or cats required to be in possession for the statute to apply.

Animal Advocate Inc., and several concerned individuals supported this bill. The Hawaiian Humane Society, The Maui Humane Society, The Humane Society of the United States in Hawaii, and several concerned individuals supported the intent of this bill. The Office of the Public Defender and Animal CARE Foundation opposed this bill. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Amending the definition of "necessary sustenance" to include adequate space for a dog or cat to stand up, turn around freely, and lie down;
- (2) Deleting from the offense of cruelty to animals in the second degree confining any pet animal in a kennel or cage for an unreasonable period of time;
- (3) Removing chains as part of the prohibited tethering equipment for restraining dogs;
- (4) Extending the sunset date for the animal hoarding statute to July 1, 2015; and
- (5) Making technical and nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, Morita, Souki and Wakai.

**SCRep. 1567      Consumer Protection & Commerce on S.B. No. 55**

The purpose of this bill is to repeal the requirement that firms obtain a permit to practice public accountancy, as this requirement has not been enforced since its establishment.

The Hawaii Association of Public Accountants and several concerned individuals testified in support of this bill. The Board of Public Accountancy (Board) and numerous concerned individuals opposed this measure.

Since 1989, section 466-7, Hawaii Revised Statutes, has required public accountancy firms to obtain permits to practice. However, these permits have never been issued because the Board has yet to adopt administrative rules to implement the standards and process for obtaining permits for firms. This bill proposes a repeal of the permit requirement for firms because of the lack of implementation. However, the Board has stated that implementing rules are forthcoming, awaiting the Governor's approval to proceed to public hearing sometime in June of this year.

Accordingly, your Committee has amended this bill by:

- (1) Suspending, rather than repealing, the public accountancy firm permit requirement until 180 days after the effective date of administrative rules prescribing the methods and requirements for firm permit applications;
- (2) Terminating rights and duties that matured, penalties that were incurred, and proceedings based on acts or omissions arising under the firm permit requirement during the period leading up until the time the requirement is reenacted with implementing rules under this bill;

- (3) Requiring the Board to continue its efforts in adopting rules implementing the firm permit requirement; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

In making these amendments, it is not your Committee's intent to facilitate attempts to frustrate the eventual reenactment of the public accountancy firm permit requirement through potential delays in the rulemaking process.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and Mizuno.

**SCRep. 1568      Judiciary on S.B. No. 886**

The purpose of this bill is to make housekeeping amendments to clarify business registration laws and to correct technical errors, ambiguities, and inconsistencies. This measure amends statutes relating to:

- (1) Business dissolutions and reinstatements;
- (2) Electronic transmission of notice to members of nonprofit corporations;
- (3) Procedures for converting an entity into a domestic entity; and
- (4) Reinstatement of general partnerships.

The Department of Commerce and Consumer Affairs supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 886, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, Morita, Souki and Wakai.

**SCRep. 1569      Water, Land, & Ocean Resources on S.B. No. 1055**

The purpose of this bill is to enhance the safety and security of individuals and vessels using the state's commercial harbors by authorizing the Director of Transportation to adopt rules establishing safety measures and security requirements in or about the commercial harbors, land, and facilities belonging to or controlled by the State.

The Department of Transportation supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla and C. Lee.

**SCRep. 1570      Public Safety on S.B. No. 1073**

The purpose of this bill is to provide a cleaner, healthier environment in state correctional facilities by authorizing smoking for employees and volunteers of a correctional facility only in areas designated by the warden of the facility that are outside a correctional facility restricted from access by inmates or detainees.

The Department of Public Safety, American Cancer Society, and Hawaii Medical Association supported this bill. The Department of Health and the Coalition for a Tobacco-Free Hawaii supported the intent of this measure. A concerned individual opposed this bill. The American Lung Association in Hawaii, United Public Workers AFSCME Local 646 AFL-CIO, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that smoking areas may be designated by the warden of a correctional facility that are within the boundaries of the facility but outside the secure confines of the facility; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1073, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1571      Judiciary on S.B. No. 281**

The purpose of this bill is to enhance safety on sidewalks by authorizing the counties to prohibit or regulate the use of electric personal assistive mobility devices on sidewalks.

The Waikiki Improvement Association and Segway, Inc., testified in support of this bill. The Policy Advisory Board for Elder Affairs supported the intent of this measure. The Disability and Communication Access Board opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 281, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 281, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, Morita, Souki and Wakai.

**SCRep. 1572      Judiciary on S.B. No. 35**

The purpose of this bill is to exempt:

- (1) Certified public accountants (CPAs) licensed and regulated under Chapter 466, Hawaii Revised Statutes (HRS);
- (2) Persons holding a permit to practice public accountancy in Hawaii; and
- (3) Out-of-state CPAs operating under a temporary permit issued by the Board of Accountancy pursuant to Chapter 466, HRS,

from the requirements of the Mortgage Rescue Fraud Prevention Act, Chapter 480E, HRS.

The Department of Commerce and Consumer Affairs, Office of Hawaiian Affairs, and a concerned individual testified in support of this bill. The Hawaii Bankers Association and Legal Aid Society of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2046, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 35, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey and Morita.

**SCRep. 1573      Judiciary on S.B. No. 711**

The purpose of this bill is to provide for greater efficiency in the movement of passengers through a public transit system by allowing larger articulated buses to operate on public roadways.

The Hawaii Hotel & Lodging Association, Hawaii Transportation Association, and Soderholm Sales & Leasing, Inc., testified in support of this bill. The Department of Transportation Services of the City and County of Honolulu testified in opposition to this measure.

Your Committee has amended this bill by changing its effective date to January 1, 2046, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 711, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey and Morita.  
(Representative Cabanilla voted no.)

**SCRep. 1574      Judiciary on S.B. No. 932**

The purpose of this bill is to improve early diagnosis of human immunodeficiency virus (HIV) infections by removing specific procedural barriers to HIV testing. This bill clarifies that a health care provider is not required to obtain specific written informed consent from a patient prior to testing and provide HIV pre-test counseling.

In addition, this bill, among other things:

- (1) Requires the health care provider to provide all positive and indeterminate HIV test results to the person taking the test and offer HIV post-test counseling; and
- (2) Allows, rather than requires, the Department of Health (DOH) to adopt rules to regulate HIV testing.

DOH, Gregory House Programs, Hawaii HIV/AIDS Community Planning Group Steering Committee, Life Foundation, Hawaii Medical Association, Waikiki Health Center, American College of Obstetricians and Gynecologists Hawaii Section, and a concerned individual supported this bill. The American Civil Liberties Union of Hawaii opposed this bill.

Upon further consideration, your Committee has amended this measure by:

- (1) In lieu of the provisions removing specific procedural barriers to HIV testing, allowing a health care provider to conduct an HIV test after:

- (A) Orally disclosing to the person being tested that certain personalized test results are maintained by DOH and that free and anonymous HIV testing is available through DOH and certain community agencies;
  - (B) Providing the person reasonable opportunity to decline the test; and
  - (C) Receiving the person's express oral consent to the test;
- (2) Allowing a health care provider to use a written consent form in lieu of the oral-consent procedure; and
  - (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 932, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, Morita, Souki and Wakai.

**SCRep. 1575 Economic Revitalization, Business, & Military Affairs on S.B. No. 1066**

The purpose of this bill is to provide the tenants of the Natural Energy Laboratory of Hawaii Authority (NELHA) with a voice in decisions affecting the administration of NELHA by adding two tenant members to the NELHA board of directors, to be elected by the NELHA tenants.

No testimony was received on this bill, however your Committee finds that the measure is a viable means of resolving an ongoing dispute in NELHA that has continued over a number of years. Recognizing that there are other bills advancing through the legislative process that may affect this measure, your Committee has changed its effective date to July 1, 2112, to provide the flexibility to make any needed amendments.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1066, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Wakai, Wooley and Ward.

**SCRep. 1576 Consumer Protection & Commerce on S.B. No. 426**

The purpose of this bill is to improve access to dental services by allowing dentists participating in an accredited, post-doctoral dental residency program to obtain temporary licensure without examination for the duration of their enrollment in the residency program.

The Board of Dental Examiners, Hawaii Primary Care Association, Lanai Women's Center, Kokua Kalihi Valley, and a concerned individual testified in support of this bill.

Your Committee finds that this measure will facilitate the participation of newly graduated dentists in residency programs that improve access to dental services where critically needed.

Your Committee has amended this bill by making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 426, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1577 Consumer Protection & Commerce on S.B. No. 933**

The purpose of this bill is to improve access to dental care by providing that the Board of Dental Examiners (Board) may issue, without examination:

- (1) A community service license to dentists while employed by the Department of Health (DOH); and
- (2) A temporary license to dentists while under contract with DOH to conduct dental education and training.

DOH and a concerned individual testified in support of this bill. The Board supported the intent of this measure.

Your Committee finds that this measure will enhance dental care services for underserved populations, particularly the disabled and the elderly, and will also assist in training dentists to treat these populations.

Your Committee has amended this bill by making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 933, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1578 Water, Land, & Ocean Resources on S.B. No. 382**

The purpose of this bill is to expand the membership of the Stadium Authority (Authority) from nine to 11 members and revise the appointment process of the Authority by:

- (1) Requiring three members to be appointed directly by the Governor;
- (2) Requiring three members to be appointed by the Governor from a list of nominees submitted by the President of the Senate; and
- (3) Requiring three members to be appointed by the Governor from a list of nominees submitted by the Speaker of the House of Representatives.

The President of the University of Hawaii and Superintendent of Education remain ex officio nonvoting members of the Authority under this measure.

The Aloha Stadium Swap Meet Vendor's Association and a concerned individual supported this bill. The Department of Accounting and General Services opposed this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2009.

Your Committee finds value in having a representative of the Aloha Stadium Swap Meet vendors sit on the Authority. Accordingly, your Committee respectfully requests that the President of the Senate and the Speaker of the House of Representatives consider including a representative from this group in each list of nominees submitted to the Governor.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 382, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla and C. Lee.

**SCRep. 1579 Energy & Environmental Protection on H.R. No. 58**

The purpose of this resolution is to request:

- (1) Hawaii American Water Company (HAWC) to develop an odor mitigation plan by September 2009; and
- (2) The Director of the Department of Health (DOH) to monitor the implementation of odor mitigation measures and report to the Hawaii Kai Neighborhood Board on the progress.

Several concerned individuals supported this resolution. DOH and HAWC opposed this resolution. The Representative for the 17<sup>th</sup> District provided comments.

Your Committee finds that the Public Utilities Commission (PUC), as the regulator of rates charged by HAWC, has a role in addressing the resources available to HAWC in its efforts to mitigate offensive odors emanating from its facility.

Accordingly, your Committee has amended this resolution by requesting PUC to:

- (1) Review the rates charged by HAWC and to determine whether they are sufficient to make adequate facilities upgrades, including odor mitigation measures; and
- (2) Determine whether odor mitigation measures have been implemented if the rates are deemed sufficient;

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 58, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 58, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1580 Energy & Environmental Protection on H.C.R. No. 65**

The purpose of this concurrent resolution is to request:

- (1) Hawaii American Water Company (HAWC) to develop an odor mitigation plan by September 2009; and
- (2) The Director of the Department of Health (DOH) to monitor the implementation of odor mitigation measures and report to the Hawaii Kai Neighborhood Board on the progress.

Several concerned individuals supported this concurrent resolution. DOH and HAWC opposed this concurrent resolution. The Representative for the 17<sup>th</sup> District provided comments.

Your Committee finds that the Public Utilities Commission (PUC), as the regulator of rates charged by HAWC, has a role in addressing the resources available to HAWC in its efforts to mitigate offensive odors emanating from its facility.

Accordingly, your Committee has amended this concurrent resolution by requesting PUC to:

- (1) Review the rates charged by HAWC and to determine whether they are sufficient to make adequate facilities upgrades, including odor mitigation measures; and

- (2) Determine whether odor mitigation measures have been implemented if the rates are deemed sufficient;

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 65, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, Herkes, Ito and Luke.

**SCRep. 1581      Transportation on H.R. No. 102**

The purpose of this resolution is to urge nonprofit organizations and community groups to establish safety procedures for roadside solicitation of funds and donated goods.

No testimony was submitted for or against this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102 and recommends its adoption.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1582      Transportation on H.C.R. No. 123**

The purpose of this concurrent resolution is to urge nonprofit organizations and community groups to establish safety procedures for roadside solicitation of funds and donated goods.

No testimony was submitted for or against this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123 and recommends its adoption.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1583      Transportation on H.R. No. 223**

The purpose of this resolution is to note the historical importance of the Falls of Clyde in Hawaii's maritime history by requesting the State to recognize it as a sailing jewel of Hawaii.

The Department of Land and Natural Resources, Friends of Falls of Clyde, and Windward Ahupua'a Alliance testified in support of this measure.

As an island state, the ocean plays a significant role in the history of Hawaii. From the first people who arrived on these shores to today's modern transports, Hawaii has always had a strong maritime history. The Falls of Clyde was an important part of that history and should be recognized as a sailing jewel of Hawaii. Although the Falls of Clyde has been allowed to deteriorate over the last several years, the restoration and preservation as an historic ship is important and is an ongoing endeavor of the Friends of Falls of Clyde.

Your Committee has amended this measure by:

- (1) Making a technical amendment in the title to read, "HOUSE RESOLUTION REQUESTING THE STATE TO RECOGNIZE THE HISTORICAL SIGNIFICANCE OF THE FALLS OF CLYDE AS A SAILING JEWEL OF HAWAII"; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 223, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1584      Transportation on H.C.R. No. 254**

The purpose of this concurrent resolution is to note the historical importance of the Falls of Clyde in Hawaii's maritime history by requesting the State to recognize it as a sailing jewel of Hawaii.

The Department of Land and Natural Resources, Friends of Falls of Clyde, and Windward Ahupua'a Alliance testified in support of this measure.

As an island state, the ocean plays a significant role in the history of Hawaii. From the first people who arrived on these shores to today's modern transports, Hawaii has always had a strong maritime history. The Falls of Clyde was an important part of that history and should be recognized as a sailing jewel of Hawaii. Although the Falls of Clyde has been allowed to deteriorate over the last several years, the restoration and preservation as an historic ship is important and is an ongoing endeavor of the Friends of Falls of Clyde.

Your Committee has amended this measure by:

- (1) Making a technical amendment in the title to read, "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE TO RECOGNIZE THE HISTORICAL SIGNIFICANCE OF THE FALLS OF CLYDE AS A SAILING JEWEL OF HAWAII"; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 254, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 254, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Pine.

**SCRep. 1585 Consumer Protection & Commerce on H.C.R. No. 41**

The purpose of this concurrent resolution is to request that the Auditor conduct a sunrise analysis of the regulation of locksmiths as contemplated under H.B. No. 344, introduced during the Regular Session of 2009. The Auditor is further requested to submit any findings and recommendation, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs provided comments in support of the intent of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1586 Judiciary on S.B. No. 856**

The purpose of this measure is to extend the expiration date of the Hawaii State Identification Card from six to eight years after the year of issuance, beginning on July 1, 2009.

The Department of the Attorney General testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

**SCRep. 1587 Judiciary on S.B. No. 350**

The purpose of this bill is to further clarify under what circumstances people may defend themselves using deadly force, by:

- (1) Permitting the use of deadly force by the resident of a dwelling against a person not lawfully in the dwelling who uses force against the resident;
- (2) Removing the requirement that a person retreat, if possible, if assaulted by a co-worker; and
- (3) Expanding the exemption from the duty to retreat from the home and workplace to any place where the actor may lawfully be present.

The Office of the Public Defender, National Rifle Association of America – Hawaii Division, Hawaii Rifle Association, and several concerned individuals supported this bill. The Honolulu Police Department, Honolulu Department of the Prosecuting Attorney, and Injury Prevention Advisory Committee opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions permitting the use of deadly force by the resident of a dwelling against a person not lawfully in the dwelling who uses force against the resident; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 350, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 350, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative McKelvey.  
(Representatives Luke and Morita voted no.)

**SCRep. 1588 Consumer Protection & Commerce on S.B. No. 603**

The purpose of this bill is to promote competition in the telecommunications marketplace by requiring the Public Utilities Commission (PUC) to treat land-line phone services as "fully competitive" with regard to costs, rates, and pricing, in essence deregulating these phone services to bolster competition with other forms of telecommunications.

This measure also:

- (1) Requires telecommunications carriers to file rates, fares, charges, and bundled service offerings with PUC for information purposes only;
- (2) Applies only to retail rates and not wholesale rates;
- (3) Caps retail telecommunications service rates at June 30, 2009, levels; and
- (4) Preserves the responsibility of telecommunications carriers to provide lifeline telephone service and comply with carrier of last resort obligations and service quality standards.

The Chamber of Commerce of Hawaii and Hawaiian Telcom testified in support of this bill. PUC and TW Telecom opposed this measure. Verizon and AT&T provided comments.

Under subchapter 3 of Chapter 6-80, Hawaii Administrative Rules, telecommunications services are classified as "fully competitive," "partially competitive," or "noncompetitive," with varying degrees of regulation over costs, rates, and pricing. Under these categories, the incumbent local exchange carrier (ILEC), Hawaiian Telcom, is subject to regulations designed to increase market competition. However, today's consumers can obtain phone services from a wide variety of wireless and voice over internet protocol providers that are not subject to the same level of regulation. This bill seeks to update Hawaii's regulatory framework for telecommunications to create market parity among all phone service providers.

Your Committee notes there are concerns that this bill does not provide price floors for retail telecommunications service rates, allowing the ILEC to discourage market competition by pricing its services lower than other carriers who do not have the same ability to lower prices through subsidization from other, non-competitive services offered by the carrier. There is also a concern that if ILEC prices its services too low, it will not have enough funds to properly maintain its service network that its customers rely upon for critical phone services. These issues may warrant further consideration if this bill advances to Conference Committee.

Your Committee has amended this bill by:

- (1) Eliminating the cap on retail telecommunications service rates. While this provision would protect "captive ratepayers" who do not have other telephone service options, there was a concern that this rate cap would make it difficult for smaller telecommunications carriers who do not serve captive ratepayers, to raise rates in response to cost increases;
- (2) Incorporating the language of H.B. No. 254, H.D. 1, 2009, requiring PUC to treat land-line phone services as "fully competitive" with regard to costs, rates, and pricing, after July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 603, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Mizuno, Souki and Thielen.

**SCRep. 1589 Consumer Protection & Commerce/Judiciary on S.B. No. 1676**

The purpose of this bill is to improve access to health care by:

- (1) Clarifying a physician's scope of practice in the provision of telemedicine services;
- (2) Establishing requirements and standards for telemedicine services, including for treatment recommendations and medical reports;
- (3) Requiring that physicians using telemedicine to establish a physician-patient relationship with a patient in Hawaii must be licensed to practice medicine in Hawaii; and
- (4) Providing that a patient may consult with an out-of-state physician through telemedicine after a physician-patient relationship is established with a Hawaii-licensed physician.

The Insurance Division of the Department of Commerce and Consumer Affairs (DCCA), Chamber of Commerce of Hawaii, Hawaii Medical Service Association, MDX Hawaii, and a concerned individual testified in support of this bill. The Hawaii Medical Association opposed this measure. DCCA's Regulated Industries Complaints Office, the Hawaii Medical Board, and a concerned individual provided comments.

Hawaii's unique geographic location necessitates the use of new ideas and technologies to overcome barriers to medical care, particularly for rural areas where access to care is especially difficult. Telemedicine allows physicians to treat patients through the use of telecommunications, providing a cost-effective and convenient alternative for the provision of health care in certain circumstances. This bill supports the use of telemedicine as a means of addressing the shortage of physicians in Hawaii and improving access to health services in general.

Testimony indicates that this bill seeks to allow Hawaii patients, after a physician-patient relationship is established with a Hawaii physician, to continue to consult via telemedicine with an out-of-state physician without the Hawaii physician's active participation in the consultation. It has been indicated to your Committees that section 453-2(b), Hawaii Revised Statutes, by requiring the Hawaii physician to retain control and responsibility for the patient's care, ensures there will be ongoing communication between the Hawaii physician and the out-of-state physician providing care to a Hawaii patient through telemedicine.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1676, S.D. 2, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 1590 Consumer Protection & Commerce/Judiciary on S.B. No. 205**

The purpose of this bill is to deter abuses of the owner-builder exemption from the contractor licensing law by specifying the penalties for failing to comply with the terms of the exemption.

This bill also requires applicants for the owner-builder exemption to submit:

- (1) Federal and state tax identification numbers;
- (2) Federal and state tax clearances; and
- (3) Certificates of workers' compensation insurance.

The Building Industry Association of Hawaii, Subcontractors Association of Hawaii, and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs, Contractors License Board, and Hawaii Association of REALTORS provided comments.

Owner-builder permits provide an exemption from the general requirement that construction be done by licensed contractors. Under this exemption, a property owner or lessee may act as their own general contractor, without a license, to build or improve structures for their own use and not for sale or lease. The exemption does not apply to electrical or plumbing work that cannot be performed without a license. Among other things, this bill strengthens safeguards against abuses of the exemption by applying fines under the contractor licensing law to those who fail to comply with the terms of the exemption.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2090, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style, including the insertion of a separate statutory provision reflecting the tax and insurance information submittal requirements for owner-builder exemption applications, which are already in this bill.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 205, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 205, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Luke, McKelvey and B. Oshiro.

**SCRep. 1591 Consumer Protection & Commerce/Judiciary on S.B. No. 300**

The purpose of this bill is to require class 5 dispenser liquor licensees authorized to sell liquor for consumption on the premises to maintain a certain amount of liquor liability insurance coverage as a condition of obtaining, renewing, or transferring a license.

Outrigger Hotels testified in support of the intent of this bill. The City and County of Honolulu Liquor Commission and the Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui opposed this measure.

The county liquor control departments have suggested, as a matter of equity, imposing the liquor liability insurance requirement on all license classes except manufacturers and wholesale dealers. The counties also expressed concerns that requiring them to set minimum levels of liability insurance biannually under this measure would be burdensome and outside of the scope of liquor laws they enforce.

Your Committees have amended this bill by changing the effective date to January 1, 2090, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 300, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 300, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Luke, McKelvey and B. Oshiro.

**SCRep. 1592 Consumer Protection & Commerce/Judiciary on S.B. No. 53**

The purpose of this bill is to make permanent the Life Settlements Act under Act 177, Session Laws of Hawaii 2008 (Act 177), codified as Chapter 431E, Hawaii Revised Statutes (HRS), which establishes 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 also makes a corresponding amendment repealing the Insurance Commissioner's duty to report annually to the Legislature on the implementation and effects of Act 177.

The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors – Hawaii, American Council of Life Insurers, and a concerned individual testified in support of this bill. Coventry provided comments.

Chapter 431E, HRS, implements the Life Settlements Model Act adopted by the National Conference of Insurance Legislators and among other things prohibits stranger-originated life insurance (STOLI) transactions in which, for example, a private investor finances insurance on the life of an unrelated individual in an arrangement that ultimately transfers the policy or death benefits to the investor in most cases.

Your Committees have amended this bill by replacing its entire contents with H.B. No. 1439, H.D. 1, 2009. As amended, this bill differs from the draft received by your Committees by:

- (1) Maintaining the sunset date and Insurance Commissioner reporting requirement of Act 177;
- (2) Making various amendments shaping the purpose and application of the Life Settlements Act under Chapter 431E, HRS; and
- (3) Taking effect on January 1, 2020.

Testimony received on this bill and H.B. No. 1439 indicates disagreements over the appropriate scope of the Life Settlements Act and the types of activities that should be classified as prohibited STOLI transactions. Your Committees note that these issues will need to be addressed as this bill moves forward.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 53, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 53, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Luke, McKelvey and B. Oshiro.

**SCRep. 1593 Consumer Protection & Commerce on S.B. No. 420**

The purpose of this bill is to improve the availability of health care by:

- (1) Allowing naturopathic physicians licensed in another state to be issued limited and temporary licenses to practice naturopathic medicine in Hawaii during declared public health emergencies and disasters; and
- (2) Redefining the allowable scope of naturopathic medicine by, among other things, authorizing naturopathic physicians to:
  - (A) Administer treatments by injection;
  - (B) Perform minor office procedures; and
  - (C) Prescribe, administer, and dispense medications pursuant to a naturopathic formulary established by the Board of Examiners in Naturopathy (Board).

Numerous concerned individuals testified in support of this bill. The Hawaii Society of Naturopathic Physicians supported this measure with amendments. The Board supported the intent of this measure. The Hawaii Medical Association opposed this bill. The Department of Commerce and Consumer Affairs, Department of Public Safety, and a concerned individual provided comments.

Your Committee finds that this bill seeks to increase access to health care, as well as update the law on naturopathic medicine, by expanding and clarifying the scope of practice of naturopathic physicians.

Your Committee has amended this bill by:

- (1) Clarifying the qualifications for schools at which students may practice naturopathic medicine;
- (2) Removing the reference to "naturopathic physicians" in the definition of "naturopathic medicine" to ensure that unlicensed persons are not inadvertently allowed to engage in naturopathic medicine;
- (3) Prohibiting naturopathic physicians from using injection treatments and performing minor office procedures until the Board adopts pertinent rules, and clarifying the language regarding the Board's duty to adopt these rules;
- (4) Clarifying that naturopathic physicians are prohibited from prescribing, administering, and dispensing naturopathic formulary that are not approved by the Board; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 420, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 420, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito and Mizuno.

**SCRep. 1594 Judiciary on S.B. No. 764**

The purpose of this bill is to help small businesses leasing commercial space in Hawaii endure times of economic downturn by requiring:

- (1) That leases existing on July 1, 2009, or entered into thereafter, and providing for the renegotiation of rent based upon fair and reasonable annual rent as of the commencement of the term:
  - (A) Be construed to require that the rent be fair and reasonable rent to both the lessor and the lessee; and
  - (B) Take into account use and intensity of use approved by the lessor, and neighborhood context;
 and
- (2) That a lessee's subtenants who have subleases providing for recovery by the lessee of ground lease rent, be charged their pro-rata share of the renegotiated fair and reasonable annual rent.

Citizens for Fair Valuation, Servco Pacific Inc., Inter-Island Solar Supply, Mr. Sandman Inc., McKillican American Inc., Ben Franklin Crafts, Bacon Universal Co., GP Roadway Solutions, Big Rock Manufacturers Inc., Grace Pacific Corporation, Plywood Hawaii, Pacific Jobbers Warehouse Inc., American Electric Co. LLC, Sawdust, Olelo Community Television, and several concerned individuals supported this bill. HRPT Properties Trust, Hawaii Association of REALTORS, Building Industry Association, Land Use Research Foundation of Hawaii, and The Queen's Medical Center opposed this measure. The Department of the Attorney General submitted comments.

Your Committee also finds that lands classified by the Land Study Bureau as Class A and Class B lands, which are the lands most suitable for intensive agricultural use, have rapidly dwindled in counties with a population over 500,000. Because these lands are fixed in availability and declining rapidly, protecting them becomes more important. Therefore, your Committee has amended this bill by adding an additional part to carry out the mandate of Article XI, section 3, of the Hawaii Constitution, which requires the conservation and protection of the most productive agricultural lands, and to assure the availability of productive agricultural lands in counties with a population over 500,000 by:

- (1) Extending current farming leases on land classified as Class A or B lands for a period of not less than 75 percent of the original term of the lease, whenever renegotiation of the rental amount and the term of the lease is provided for in an agreement or document for the lease of private agricultural lands and the lessee has made improvements or is seeking to make improvements on the land; and
- (2) Prohibiting the amendment of a land use district boundary for Class A and B agricultural lands that meet all four of the following criteria:

- (A) A farming operation as defined in section 165-2, Hawaii Revised Statutes, is being conducted on the land;
- (B) The land is important for agriculture based on the stock of similarly suited lands in the area;
- (C) The district boundary amendment will harm the productivity or viability of existing agricultural activity in the area; and
- (D) The district boundary amendment will cause fragmentation of or intrusion of nonagricultural uses into largely intact areas of Class A and B agricultural lands.

Your Committee has further amended this bill by:

- (1) Deleting provisions requiring that a lessee's subtenants who have subleases providing for recovery by the lessee of ground lease rent, be charged their pro-rata share of the renegotiated fair and reasonable annual rent;
- (2) Clarifying provisions that establish certain limits on the renegotiation of commercial or industrial lease rent where the terms of the lease require the renegotiated annual rent to be fair and reasonable;
- (3) Specifying that the provision for renegotiation of a lease take into account any and all relevant attendant circumstances relating to the lease, including:
  - (A) Past renegotiation practices and policies throughout the previously renegotiated lease rents;
  - (B) The uses and intensity of the use of the leased property during the term of the lease approved by the lessor;
  - (C) The surface and subsurface characteristics of the leased property and the surrounding neighborhood of the leased property on the renegotiated date; and
  - (D) The gross income generated by the lessee on the renegotiated date;
- (4) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 764, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey and Morita.

**SCRep. 1595      Judiciary on S.B. No. 937**

The purpose of this bill is to continue to work toward effectively reducing the census at the Hawaii State Hospital by:

- (1) Clarifying which statutes govern the process and standards of decision-making on applications for conditional release and discharge of forensic patients at the Hawaii State Hospital; and
- (2) Improving the timeframe for the completion of the hearing process and rendering of decisions involving forensic patients by setting a 60-day deadline while providing for an extension if necessary.

The Department of Health supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 937, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, Morita, Souki and Wakai.

**SCRep. 1596      Judiciary on S.B. No. 1259**

The purpose of this bill is to make state law consistent with federal law regarding the environmental liability of bona fide prospective purchasers and contiguous property owners of contaminated real property.

The Department of Health supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1259, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1259, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Ito, Luke and Mizuno.

**SCRep. 1597      Judiciary on S.B. No. 34**

The purpose of this bill is to exempt licensed real estate brokers and salespersons from the requirements of the Mortgage Rescue Fraud Prevention Act (Act), Chapter 480E, Hawaii Revised Statutes. This measure also prohibits these persons from acquiring an ownership interest in any distressed residential property currently listed with the broker or salesperson, or within a year after the listing agreement is terminated.

The Office of Consumer Protection, Hawaii Association of Realtors, Hawaii Association of Mortgage Brokers, and a concerned individual supported this bill. The Office of Hawaiian Affairs and Legal Aid Society of Hawaii opposed this measure.

Upon further consideration, your Committee has amended this bill by:

- (1) Increasing the length of time before a real estate broker or salesperson can acquire an interest in a distressed property from one to two years after the listing agreement has expired or is terminated;
- (2) Specifying that a real estate broker or salesperson must be currently licensed and active, as well as acting in accordance with customary industry standards to be exempt from the Act; and
- (3) Changing the effective date to January 1, 2046 to encourage further discussion.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 34, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey and Morita.

**SCRep. 1598      Water, Land, & Ocean Resources/Housing on S.B. No. 1350**

The purpose of this bill is to increase the affordable housing stock in urban Honolulu by increasing the reserved housing requirements in the Kakaako mauka area of the Kakaako Community Development District. Specifically, this bill:

- (1) Requires at least 50 percent of the countable floor area of each planned development lot of at least 80,000 square feet to be developed as reserved housing made available to purchase by a family with a household income of not more than 140 percent of the median income;
- (2) Exempts lots one acre and less;
- (3) Permits developers to pay cash in lieu of meeting the reserved housing requirement; and
- (4) Permits the transfer of excess reserve housing credits to another project in the Kakaako area.

The Ironworkers Stabilization Fund supported this bill. A concerned individual supported this bill with amendments. CUNA Mutual Group, Waterhouse, Inc., General Growth Properties, Inc., Land Use Research Foundation of Hawaii, Servco Pacific Inc., Kamehameha Schools, and a concerned individual opposed this bill. The Hawaii Community Development Authority (HCDA), The Gas Company, JN Group, Inc., Hawaiian Dredging and Construction Company, and a concerned individual offered comments.

Your Committees have amended this bill by replacing its contents with the substance of H.B. No. 948, H.D. 1. As amended, this bill:

- (1) Requires that the development of any lot in the Kakaako mauka area that is three acres or greater in area include at least 25 percent of its countable floor area for reserved housing;
- (2) Requires that the development of any lot in the Kakaako mauka area that is less than three acres but more than 20,000 square feet in area include at least 20 percent of any dwelling units developed for reserved housing;
- (3) Requires that HCDA report to the Legislature prior to the convening of the Regular Session of 2017 on the status of reserved housing in Kakaako, including a recommendation on whether the reserved housing requirements contained in this measure should be reduced, remain unchanged, or increased;
- (4) Requires that HCDA determine whether the reserved housing units provided shall be for sale or for rent and:
  - (A) If for sale, that HCDA adopt rules to ensure that the reserved housing units remain "affordable" for the economic life of the units; and
  - (B) If for rent, that the reserved housing units be transferred to be managed and rented by the Hawaii Public Housing Authority;
- (5) Amends section 206E-4(18), Hawaii Revised Statutes, to limit any in lieu dedication of land for reserved housing to fee simple property within the Kakaako mauka area;
- (6) Prohibits a developer from making cash payments in lieu of developing reserved housing;
- (7) Allows the developer to transfer excess reserved housing credits to another development in the Kakaako mauka area, or sell excess credits to another developer of a development in the area;
- (8) Requires any reserved housing units to have certificates of occupancy issued prior to or concurrently with the issuance of certificates of occupancy for other non-reserved housing units or other uses;

- (9) Includes measures to prohibit the acceptance of applications for any development of a lot three acres or greater or any applications for building permits or subdivisions of any lot three acres or greater in area until after HCDA has adopted rules implementing the requirements of this measure; and
- (10) Makes technical, nonsubstantive changes for style, clarity, and consistency.

Your Committees note that several provisions of this bill would benefit from additional clarification and revision, and, therefore, we respectfully request that the conferees consider additional amendments for clarity and consistency if this bill comes before them.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1350, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Luke and Ching.

**SCRep. 1599 Finance on S.B. No. 292**

The purpose of this bill is to support general state services by moving moneys in excess of the required balances within certain special and revolving funds to the general fund.

The University of Hawaii (UH), Department of Health (DOH), Department of Accounting and General Services, Honolulu Department of Information Technology, Honolulu Police Department, Campus Center Board at UH Manoa, Board of Publications at UH Manoa, and several concerned individuals opposed this bill. The Judiciary, Department of Land and Natural Resources, Department of the Attorney General, Department of Agriculture, Hawaii Housing Finance and Development Corporation, The Nature Conservancy, Hawaii Insurers Council, Catholic Charities Hawaii, The Mutual Housing Association of Hawaii, Community Alliance Partners, EAH Housing, and several concerned individuals submitted comments.

Your Committee has amended this bill by replacing its contents with those of H.B. No. 1731, H.D. 1. As amended, this bill generates additional general funds to ensure the delivery of services statewide by reallocating for two years the distribution of moneys from the Hawaii Tobacco Settlement Special Fund, including depositing a portion of those moneys into the general fund as follows:

- (1) 24.5 percent to the Emergency and Budget Reserve Fund;
- (2) 25 percent to DOH for the Children's Health Insurance Program and for health promotion and disease prevention programs;
- (3) 2 percent to the Hawaii Tobacco Prevention and Control Trust Fund;
- (4) 23.5 percent to the University Revenue-Undertakings Fund; and
- (5) 25 percent to the general fund.

As amended, this bill will take effect on July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 292, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 292, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1600 Finance on S.B. No. 387**

The purpose of this bill is to clarify the statutory process for appropriation transfers and changes between programs and agencies by specifying that no appropriation transfers or changes between programs or agencies are permissible without prior legislative authorization, except for certain exemptions for the University of Hawaii, Department of Education, and Hawaii Health Systems Corporation.

The Governor's Administration, Department of Budget and Finance, Department of Human Resources Development, Attorney General, and Department of Public Safety opposed this bill.

Upon further consideration, your Committee has amended this bill by:

- (1) Removing provisions requiring prior legislative authorization for appropriation transfers and changes;
- (2) Restoring provisions requiring that authorized transfers or changes be reported to the Legislature;
- (3) Including provisions requiring the Governor or Director of Finance to report each restriction, made pursuant to budgetary statutes, of appropriation expenditures authorized by the Legislature, within 30 days after the end of each quarterly allotment period, and to state the reason for and impact of the restriction; and
- (4) Changing the effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 387, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 387, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1601 Finance on S.B. No. 659**

The purpose of this bill is to increase the transparency of state monetary awards under Hawaii's Full Disclosure of Entities Receiving Monetary Awards law by making the Department of Accounting and General Services (DAGS) responsible for collecting and posting information on the State's website regarding those awards, in collaboration with the Department of Budget and Finance (B&F). This bill also deletes the requirement that information on state awards include the North American Industry Classification System Code.

The Grassroot Institute of Hawaii and two concerned individuals testified in support of this bill. DAGS testified in opposition to this measure. B&F provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 659, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1602 Finance on S.B. No. 917**

The purpose of this bill is to ensure compliance with the Deficit Reduction Act of 2005 by strengthening the State's ability to identify and obtain payments from first or third party payers that are legally responsible to pay for health care services received by Medicaid recipients, when these payers are primary to Medicaid.

The Department of Human Services and Department of the Attorney General testified in support of this bill.

Your Committee has amended this bill by:

- (1) Eliminating the term "first party," along with its definition, as the term "third party" in the Deficit Reduction Act of 2005 refers to any other liable payor other than the State's medical assistance program, and therefore makes the term "first party" unnecessary; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 917, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 917, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1603 Finance on S.B. No. 1111**

The purpose of this bill is to provide additional revenue for the State by increasing the transient accommodations tax to an unspecified amount, beginning July 1, 2009, and requiring any additional revenue generated from the increase to be deposited into the general fund.

The Hawaii Government Employees Association supported this bill. The Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Tourism Authority, Chamber of Commerce of Hawaii and its Tourism Committee, Hawaii Hotel & Lodging Association, Westin Maui Resort & Spa, Kahana Falls Resort, Starwood Vacation Ownership, Imperial Hawaii Resort, Wyndham Worldwide, Hawaii Association of REALTORS, ARDA-Hawaii, Aston Hotels & Resorts, Doubletree Alana Hotel, Hawaii Escrow & Title, Inc., Outrigger Hotels, and several concerned individuals opposed this bill. The Tax Foundation of Hawaii and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1111, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1111, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.  
(Representative Ward voted no.)

**SCRep. 1604 Finance on S.B. No. 1206**

The purpose of this bill is to specify that, in a county with a population of at least 500,000 people, a county board of water supply may issue revenue bonds in its own name if so authorized under the county charter.

The Honolulu Board of Water Supply submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1206, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1206, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.



Signed by all members of the Committee except Representative Pine.

**SCRep. 1605 Finance on S.B. No. 1327**

The purpose of this bill is to reduce the interest rate payable on refunds for an overpayment of taxes from two-thirds of one percent to one-third of one percent.

The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by replacing its contents with the similar House bill, H.B. No. 1584, H.D. 1. As amended, this bill:

- (1) Applies to claims for refund made on or after January 1, 2009; and
- (2) Makes technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1327, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1327, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1606 Finance on S.B. No. 1343**

The purpose of this bill is to ensure fair and stable fees are charged for various services provided by state agencies by removing administrative agencies' authority to establish fees and replacing administratively established fees with statutorily established fees.

The Department of Health, University of Hawaii, Department of Transportation, Department of Commerce and Consumer Affairs, and Hawaii Housing Finance and Development Corporation opposed this bill. The Department of Education submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1343, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1343, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1607 Finance on S.B. No. 1461**

The purpose of this bill is to:

- (1) Authorize the Director of Taxation to require any person who is required to electronically file a federal return and remit federal taxes to the federal government, to electronically file a state return and remit state taxes to the Department of Taxation; and
- (2) Accelerate the filing and payment due dates for general excise, transient accommodations, fuel, cigarette and tobacco product, and rental motor vehicle and tour vehicle surcharge taxes.

The Department of Taxation supported this bill. Retail Merchants of Hawaii, Hidano Construction, Inc., and a concerned individual opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by replacing its contents with the substance of H.B. No. 1735, H.D. 1. As amended, this bill advances the filing and payment of monthly general excise taxes due to an earlier date in the following month to generate a one-time windfall revenue for the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1461, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1608 Finance on S.B. No. 199**

The purpose of this bill is to address the current fiscal crisis and minimize revenue losses to the State by repealing all income tax credits for taxable years beginning after December 31, 2010.

A concerned individual supported this bill. ProVision Technologies, Inc., Archinoetics, LLC, Hawaii Science & Technology Council, Oceanit, and several concerned individuals opposed this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; Department of Agriculture; Hawaii Housing Finance and Development Corporation; Honolulu Film Office; Maui County Film Commissioner; Hawaii Film and Entertainment Board; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; EAH Housing; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Hawaii BioEnergy; Hawaii Association of REALTORS; Pacific West Energy LLC; Kauai Ethanol LLC; G&R AgEnergy LLC; Hawaii Solar Energy Association; Inter-Island Solar Supply; Mutual Housing Association of Hawaii; Hawaii PV Coalition; and Green Power Projects LLC submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 1583, H.D. 1, Regular Session of 2009, which limits claims for business tax credits, for taxable years beginning January 1, 2009, and ending before January 1, 2011, to 75 percent of the taxpayer's tax liability for the taxable year in which the credit is claimed. As amended, this measure also, among other things:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any business credit generated between January 1, 2009, and December 31, 2010;
- (2) Applies to tax credits under the Income Tax Law, Public Service Company Tax Law, Taxation of Banks and Other Financial Corporations Law, and the Insurance Code; and
- (3) Includes a list of tax credits that are exempt from the limitations provided for in this measure.

Technical, nonsubstantive amendments were also made to this measure, as amended, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awan and Keith-Agaran.

**SCRep. 1609 Finance on S.B. No. 972**

The purpose of this bill is to ensure better tax compliance by, among other things, directing the Department of Taxation (DOTAX) to coordinate with unions and federal agencies on leads to construction work site compliance with general excise (GE) tax reporting and income tax withholding requirements. This bill also authorizes state agencies to stop construction projects for which various tax payments are not filed or federal procurement officers do not assist DOTAX to ensure that construction projects pay GE taxes.

The Subcontractors Association of Hawaii and a concerned individual supported this measure. DOTAX opposed this bill. The Department of the Attorney General, Department of Commerce and Consumer Affairs' Professional and Vocational Licensing Division, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by deleting its substance and inserting the substance of this bill as introduced, which establishes a special enforcement section in DOTAX to carry out civil enforcement efforts that focus on high-risk, cash-based transactions. Your Committee has further amended this bill by:

- (1) Deleting the provision that appropriates \$500,000 from the Tax Administration Special Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 972, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 972, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1610 Finance on S.B. No. 1678**

The purpose of this bill is to amend the tax laws to conform to the updated Streamlined Sales and Use Tax Agreement as part of Hawaii's participation as a member of the National Streamlined Sales Tax Project.

The Hawaii State Teachers Association, Hawaii Government Employees Association, Democratic Party of Hawaii, National Association of Social Workers, Hawaii Chapter, Retail Merchants of Hawaii, Legislative Information Services of Hawaii, Hawaii Science & Technology Council, Hawaii Association of REALTORS, Hawaii Family Support Institute, and a concerned individual supported this bill. The Department of Taxation opposed this bill. The University of Hawaii, Tax Foundation of Hawaii, Internet Alliance, and National Federation of Independent Business offered comments.

Your Committee has amended this bill by replacing its substance with the contents of H.B. No. 1405, H.D. 2, and making additional technical, nonsubstantive amendments. As amended, this bill improves the State's ability to capture taxes owed by out-of-state businesses by specifying the business activities that would constitute a sufficient connection with Hawaii to enable the State to impose a general excise tax on these activities. This bill clarifies the definition of "engaging" in business under the general excise tax law by:

- (1) Including the sale of tangible personal property by a person soliciting business through an independent contractor who resides in Hawaii and is paid to refer potential customers to the person; and
- (2) Exempting sales so solicited if the cumulative gross receipts for a twelve-month period are less than \$10,000.

This bill also allows a rebuttal of the presumption of engaging in business through such solicitation if the independent contractor did not engage in any solicitation in Hawaii on behalf of the person that would satisfy the nexus requirement of the United States Constitution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1678, S.D. 3, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1611 Finance on S.B. No. 21**

The purpose of this bill is to allow the State to expedite the use of federal American Recovery and Reinvestment Act of 2009 (ARRA) funds, by providing temporary exemptions from procurement and rulemaking statutes, and establishing an expedited procurement procedure for the expenditure of these funds which, among other things:

- (1) Applies to government procurements of goods, services, construction, and health and human services using ARRA funds, and replaces procurement procedures under Chapter 103D, 103F, and specified sections of Chapter 103, Hawaii Revised Statutes (HRS);
- (2) Consists of two separate procedures, one applicable to procurements of goods, services, or health and human services of less than \$150,000 and construction of less than \$250,000, and another applicable to procurements exceeding those amounts;
- (3) For all procurements under this bill, requires the head of the purchasing agency to establish committees to review all offeror submissions, and award contracts based on the information provided by the committee;
- (4) Establishes a procedure to protest the award of a contract for health and human services, and another to protest awards of other types of contracts; and
- (5) Makes the remedies of debarment and suspension under section 103D-702, HRS, applicable to offerors and others who commit fraud or misrepresentation in the procurement, or abuse the expenditure of public moneys.

This bill also allows agencies to issue interim rules exempt from Chapter 91, HRS, to implement programs, services, or benefits authorized or funded by ARRA, and increases the Temporary Assistance for Needy Families Program (TANF) funds expenditure ceiling to allow the Department of Human Services (DHS) to use ARRA funds.

The State Administration, Department of Accounting and General Services, Department of Taxation, Department of Human Resources Development, Department of the Attorney General, Department of Labor and Industrial Relations, Department of Transportation, DHS, and Subcontractors Association of Hawaii supported this bill. The Autism Society of Hawaii and a concerned individual opposed this bill. The State Procurement Office, Department of Health, Hawaii Council of Mayors, Hawaii Government Employees Association, Hawaii Disability Rights Center, AARP Hawaii, and Goodwill Industries of Hawaii, Inc., commented.

Your Committee has amended this bill by:

- (1) Making the expedited procurement procedures for ARRA-funded procurements permissive rather than mandatory;
- (2) Specifying that small procurements of less than \$150,000 for goods and services, and \$250,000 for construction, are to be made through an electronic procurement system;
- (3) Instead of requiring offeror tax clearances to be obtained prior to final payment under the contract, requiring offerors to comply with the general excise tax, unemployment, workers' compensation, temporary disability insurance, and Prepaid Health Care Act laws, and demonstrate compliance by registering on the Hawaii Compliance Express, the State's one stop clearance website;
- (4) Requiring posting of information about awards on the procuring agency's website;
- (5) Removing the exemption from section 103-55, HRS, which requires compliance with all applicable labor laws, and that wages, hours, and working conditions of contracted employees be not less than those of comparable public employees;
- (6) Specifying that the expenditure ceiling increase for TANF funds is \$15,000,000, and appropriating \$5,000,000 of those federal funds to the Child Development Fund for fiscal year 2008-2009;
- (7) Establishing a Legislative Federal Economic Stimulus Program Oversight Commission to oversee the distribution of any federal economic stimulus program funds and ensure the efficiency, integrity, and fairness of the distribution;
- (8) Changing the effective date to June 29, 2009; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee remains concerned that the bill's "expedited" procurement may not meet the accountability and oversight requirements of ARRA. In particular, White House guidelines specify the need for full competition. Memorandum M-09-10, dated February 18, 2009, issued by the Director of the Office of Management and Budget, Executive Office of the President states:

*"Although the law calls on agencies to commence expenditures and activities as quickly as possible consistent with prudent management, this statement, by itself, does not constitute a sufficient justification to support award of a federal contract on a non-competitive basis. Agencies are expected to follow the same laws, principles, procedures, and practices in awarding non-competitive contracts with Recovery Act funds as they do with other funds. Competition is the cornerstone of our acquisition system. The benefits of competition are well established. Competition saves money for the taxpayer, improves contractor performance, curbs fraud, and promotes accountability for results. Agencies should review their internal procurement review practices to ensure they promote competition to the maximum extent practicable. For instance, agencies might lower the dollar thresholds at which higher level review is required when a noncompetitive acquisition strategy is contemplated.*

*To the maximum extent practicable, contracts using Recovery Act funds shall be awarded as fixed-price contracts (See FAR Subpart 16.2) using competitive procedures. These procedures include those identified under FAR Subparts 6.1, 6.2, and 16.505(b)(1) and Subsections 8.405-1 and 8.405-2. Existing fixed-price contracts that were competitively awarded may be used to obligate funds expeditiously. (Emphasis added)*

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 21, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Sagum and Pine.

The purpose of this bill is to conform state tax law to certain amendments to the Internal Revenue Code for calendar year 2008. In addition, this bill imposes the state income tax on employer paid pension income, except for the first \$50,000 each year.

The Department of Taxation, Military Officers Association of America, Hawaii Chapter, Tax Foundation of Hawaii, and a concerned individual commented on this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision to make employer paid pension income subject to the state income tax;
- (2) Making certain penalty provisions under the Internal Revenue Code operative under state tax law;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 971, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1613 Finance on S.B. No. 1271**

The purpose of this bill as received by your Committee is to:

- (1) Require managerial employees in the legislative and executive branches of government who are exempt from civil service to forfeit vacation leave that the employee has not used or donated prior to termination from public employment; and
- (2) Prohibit these employees from being reemployed by the same department in which they were employed immediately prior to the discharge.

Your Committee conducted a public hearing on a proposed draft that, in addition to the provisions of the bill as received (Part I), contains provisions that would enact a statewide attrition policy (Part II).

The Hawaii Public Housing Authority, Auditor, Hawaii Government Employees Association – Managerial and Confidential Employees Chapter, and several concerned individuals opposed the bill as received by your Committee.

The Chief of Staff to the Governor, Department of Land and Natural Resources, Department of Commerce and Consumer Affairs, Department of Human Resources Development, Department of Education, University of Hawaii, and many concerned individuals submitted testimony in opposition to both parts of the proposed draft.

The Attorney General and Legislative Reference Bureau submitted testimony in opposition to Part I and taking no position on Part II of the proposed draft.

The Judiciary and Department of Budget and Finance submitted testimony in opposition to Part II and taking no position on Part I of the proposed draft.

The Ombudsman and a concerned individual offered comments.

Your Committee believes that this measure serves as an important vehicle in exploring all available avenues to sustain the current level of government services and to accomplish more with fewer resources. As such, your Committee has amended this bill by:

- (1) Removing the provisions of Part I and retaining the provisions of Part II of the proposed draft which provides for a statewide attrition policy; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1271, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1614 Finance on S.B. No. 294**

The purpose of this bill is to clarify the role of the Department of Business, Economic Development, and Tourism (DBEDT) with respect to making recommendations to other state departments, and making those recommendations and actions subject to legislative oversight.

Your Committee conducted a public hearing on a proposed draft. The purpose of the proposed draft is to reorganize certain state executive branch departments to reflect the provisions of the General Appropriations Act of 2009.

Several concerned individuals supported the proposed draft. DBEDT, the Creative Industries Division of DBEDT, Department of Commerce and Consumer Affairs (DCCA), Aloha Tower Development Corporation, and Windward Ahupuaa Alliance opposed the proposed draft. The Department of Land and Natural Resources (DLNR), Department of Agriculture (DOA), Tourism Liaison of DBEDT, Hawaii Housing Finance and Development Corporation (HHFDC), Hawaii Foreign-Trade Zone of DBEDT, Office of Planning of DBEDT, Research and Economic Analysis Division of DBEDT, High Technology Development Corporation, Hawaii Community Development Authority, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, Hawaii Ship Agents Association, and several concerned individuals provided comments on the proposed draft.

Your Committee has amended this bill by replacing its contents with the contents of the proposed draft and further amending the proposed draft by:

- (1) Removing provisions providing for the transfer of:
  - (A) The Research and Economic Analysis Division from DBEDT to DCCA;
  - (B) The Creative Industries Division from DBEDT to the Foundation on Culture and the Arts;
  - (C) The Small Business Regulatory Review Board from DBEDT to DCCA;
  - (D) HHFDC from DBEDT to the Department of Human Services;
  - (E) The Land Use Commission from DBEDT to DLNR;
  - (F) The Hawaii Community Development Authority from DBEDT to DLNR;
  - (G) The Aloha Tower Development Corporation from DBEDT to the Department of Transportation (DOT);
  - (H) The High Technology Development Corporation and High Technology Innovation Corporation from DBEDT to DCCA;
  - (I) The Foreign-Trade Zone Program from DBEDT to DOT;
  - (J) The Office of Planning from DBEDT to DLNR;
  - (K) The State Health Planning and Development Program from the State Health Planning and Development Agency to the Department of Health proper; and
  - (L) The Measurement Standards Program from DOA to DCCA;
- (2) Transferring the Natural Energy Laboratory of Hawaii Authority to the Department of Accounting and General Services instead of to the University of Hawaii;
- (3) Adding an appropriation to provide for seven positions for and otherwise support the Hawaii Clean Energy Initiative;
- (4) Including the contents of H.B. No. 279, H.D. 2, S.D. 1, which:
  - (A) Establishes a renewable energy branch in DBEDT;
  - (B) Strengthens laws supporting energy diversification, long-term provision of dependable energy services, and use of diverse energy technologies; and
  - (C) Appropriates unspecified amounts for the energy security special fund and to support seven full-time temporary positions within DBEDT;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 294, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 294, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Sagum and Pine.

**SCRep. 1615 Finance on S.B. No. 884**

The purpose of this bill is to address the State's budget shortfall by transferring an unspecified amount of funds, determined by the Legislature to be in excess, from the Deposit Beverage Container Deposit Special Fund and the Wireless Enhanced 911 Fund to the general fund.

The Department of Budget and Finance supported this bill. The State Fire Council, Honolulu Fire Department, Department of Health, Honolulu Police Department, Department of Information Technology of the City and County of Honolulu, Kauai Fire Department, Department of Environmental Management of the County of Hawaii, Department of Fire and Public Safety of the County of Maui, Department of Public Works of the County of Kauai, Reynolds Recycling, Island Recycling Incorporated, Goodwill Industries of Hawaii, Inc., Aloha Shell Service, AT&T, The Pepsi Bottling Group of Hawaii, and Coca-Cola Bottling Company of Hawaii opposed this measure. The Tax Foundation of Hawaii and American Beverage Association provided comments.

After further consideration, your Committee prepared a proposed draft that:

- (1) Transfers excess funds, as determined by the Legislature, from numerous non-general funds to the general fund;
- (2) Repeals numerous provisions exempting certain special funds from assessments for central service and departmental administrative expenses;
- (3) Provides for the temporary transfer of interest earned on short-term investment or deposit of moneys of certain special funds, revolving funds, and special accounts into the general fund;
- (4) Temporarily suspends the distribution of a portion of the conveyance tax to the Land Conservation Fund; and
- (5) Temporarily reduces the portions of the conveyance tax distributed to the Rental Housing Trust Fund and Natural Area Reserve Fund.

A second public hearing was scheduled to receive testimony on the proposed draft. During this hearing, the Hawaii Government Employees Association supported this measure. Offering comments on the proposed draft were: the State Fire Council, Honolulu Fire Department, Honolulu Police Department, Department of Information Technology of the City and County of Honolulu, Department of Water of Kauai County, Department of Public Works of Kauai County, University of Hawaii, Board of Publications, Research Corporation of the University of Hawaii, The Arc of Hilo, Sierra Club, Hawaii Chapter, Conservation Council for Hawaii, KAHEA-The Hawaiian-Environmental Alliance, The Pepsi Bottling Group, Coca-Cola Bottling Company of Hawaii, The National Emergency Numbering Association, CTIA-The Wireless Association, National Tropical Botanical Garden, Campus Center Board at the University of Hawaii at Manoa, Land Use Research Foundation of Hawaii, and several concerned individuals testified in opposition to the proposed House Draft 1. The Department of Budget and Finance, Department of Accounting and General Services, Department of Agriculture, Hawaii Housing Finance and Development Corporation, Department of Health, Department of Human Services, Department of Commerce and Consumer Affairs, Department of Transportation, Hawaii Tourism Authority, Hawaii Public Housing Authority, Department of Land and Natural Resources, Office of Planning, Department of the Attorney General, Campaign Spending Commission, Department of Environmental Management of the County of Hawaii, Tax Foundation of Hawaii, American Beverage Association, Nature Conservancy Hawaii Program, Hawaii Insurers Council, The Trust for Public Land Hawaii, Housing Hawaii, Mr. K's Recycle and Redemption Center, and numerous concerned individuals commented on this measure.

After considering the testimony, your Committee has adopted the provisions of the proposed draft. Additional amendments were made to the proposed draft that include, among other things:

- (1) Changing the sums to be transferred from certain special funds to the general fund;
- (2) Reconsidering the deletion of certain special funds to be exempt from assessments for central service and departmental administrative expenses;
- (3) Deleting certain non-general funds from the temporary transfer of interest earned or deposit of moneys into the general fund; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 884, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 884, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Sagum and Pine.

**SCRep. 1616            Tourism, Culture, & International Affairs on H.R. No. 121**

The purpose of this resolution is to urge the President of the United States and the United States Congress to adopt the Declaration of the Rights of Indigenous Peoples.

A concerned individual supported this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 121 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, McKelvey, Tokioka and Wakai.

**SCRep. 1617            Tourism, Culture, & International Affairs on H.C.R. No. 150**

The purpose of this concurrent resolution is to urge the President of the United States and the United States Congress to adopt the Declaration of the Rights of Indigenous Peoples.

A concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, McKelvey, Tokioka and Wakai.

**SCRep. 1618            Education on H.R. No. 214**

The purpose of this concurrent resolution is to request that the Department of Human Services establish a task force of 15 members, who will all serve without compensation and reimbursement, to develop a comprehensive policy to address teen dating violence and abuse, and submit a report of its findings and recommendations to the 2010 Legislature. The task force shall cease to exist on June 30, 2010.

The Hawaii State Coalition Against Domestic Violence and several concerned citizens testified in support of this measure. The National Foundation for Women Legislators, Inc. offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Manahan, Saiki and Shimabukuro.

**SCRep. 1619            Education on H.C.R. No. 246**

The purpose of this concurrent resolution is to request that the Department of Human Services establish a task force of 15 members, who will all serve without compensation and reimbursement, to develop a comprehensive policy to address teen dating violence and abuse, and submit a report of its findings and recommendations to the 2010 Legislature. The task force shall cease to exist on June 30, 2010.

The Hawaii State Coalition Against Domestic Violence and several concerned citizens testified in support of this measure. The National Foundation for Women Legislators, Inc. offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 246, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Manahan, Saiki and Shimabukuro.

**SCRep. 1620 Water, Land, & Ocean Resources on S.B. No. 638**

The purpose of this bill is to address the issues confronting the development of a living park in Kahana Valley, Oahu.

Specifically, this measure:

- (1) Establishes a two-year moratorium on the eviction of any person who at the time of enactment of this measure:
  - (A) Resides in Kahana Valley state park;
  - (B) Has participated in interpretive programs for the Kahana Valley state park; and
  - (C) Has:
    - (i) Continuously lived there since 1987; or
    - (ii) Held a long-term lease or permit to reside there;

and
- (2) Establishes a planning council to assist in the development and implementation of a master plan for Kahana Valley state park.

Your Committee received testimony in support of this bill from the Office of Hawaiian Affairs and ten individuals. The Department of Land and natural Resources and the Attorney General submitted comments.

Your Committee finds that the State condemned Kahana Valley in 1965 and, in 1970, determined to develop a living cultural park that would allow certain qualified persons to reside within and contribute to the operation of the living cultural park by participating in interpretive programs offered there. However, delays in the implementation of the living park plan and determining who is qualified to live in and participate in the living park have resulted in unfortunate evictions of certain persons residing in Kahana Valley. While a moratorium on the eviction of persons residing in Kahana Valley state park is in effect, the Department of Land and Natural Resources should be authorized and encouraged to negotiate and enter into long-term residential leases with qualified persons in state parks.

Your Committee further finds that the living park plan remains of value and should be expeditiously implemented; however, any master plan for the development of the living park would benefit from input from persons who are now living in the state park and are contributing to the interpretive programs there.

Accordingly, your Committee has amended this measure by:

- (1) Authorizing the Board of Land and Natural Resources to continue negotiating and entering into long-term residential leases with qualified persons to contribute to interpretive programs in state parks; and
- (2) Making technical nonsubstantive changes for purposes of style and clarity.

Finally, your Committee has further amended this measure by adding a new part to this measure containing the substance of provisions contained in H.B. No. 949, H.D. 1, previously heard by your Committee, relating to authorizing the Department of Hawaiian Home Lands (DHHL) to negotiate and enter into project development agreements and long-term commercial leases for terms not exceeding 99 years. As amended, this bill also provides that at the termination of the lease, the prior lessee may be extended, as a provision of the initial lease, a right of first refusal to extend the lease subject to the terms of any public auction, so long as the prior lessee matches the highest lease rental bid offered during the public auction. Further, as part of this process, DHHL may enter into consultations with the beneficiaries of the home lands trust on any such commercial lease.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla and C. Lee.

**SCRep. 1621 Judiciary on S.B. No. 979**

The purpose of this bill is to improve road safety and conform state statute to federal law by prohibiting courts from issuing a hardship license for commercial driver's licenses.

The Department of Transportation testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 979, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

**SCRep. 1622 Judiciary on S.B. No. 1**

The purpose of this bill is to protect and increase the natural populations of Hawaiian opihi species by:

- (1) Establishing a five-year moratorium on the harvesting of opihi on Oahu;
- (2) Establishing a ban on taking or harvesting opihi statewide, subject to open and closed seasons and the traditional rights of ahupua'a tenants; and
- (3) Requiring the Department of Land and Natural Resources (DLNR) to submit an annual report to the Legislature on the effectiveness and enforcement of the statewide seasonal ban.

The Nature Conservancy, Sierra Club, Hawaii Chapter, Kawaihapai Ohana, and concerned individual supported this bill. DLNR opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying language establishing the statewide open and closed seasons for taking, harvesting, or possessing opihi from above the waterline for sale or consumption;
- (2) Specifying that the required reports that are to be submitted by the Division of Aquatic Resources of DLNR, shall be for a period of three years, commencing with the regular session of 2011 and ending with the regular session of 2013;
- (3) Deleting language protecting the rights customarily and traditionally exercised for subsistence, cultural, and religious purposes and possessed by "ahupua'a tenants" and replacing it with language referencing native Hawaiian gathering rights that are protected by the Hawaii State Constitution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee had concerns with the term "nearshore waters," which is used several times in the new statutory language proposed by this measure, as this term is without further definition or reference to any other statutory definition. However, based on confirmation with DLNR, your Committee is satisfied that the term "nearshore waters" is intended to include all state waters up to three nautical miles offshore of any land in the state.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

#### **SCRep. 1623      Judiciary on S.B. No. 931**

The purpose of this bill is to protect the public's health and welfare when there is reasonable cause for an investigation of a disease or series of injuries deemed by the Department of Health (DOH) to threaten public health or safety by providing DOH with the powers necessary to authorize select DOH staff to enter onto any premises, public or private, to secure or collect any plant, animal, food, or environmental samples deemed necessary to successfully conduct an investigation.

DOH supported this bill.

Your Committee understands that DOH may benefit from explicit statutory authority to obtain a search warrant in the case of epidemiologic investigations, even though exigent circumstances are, as a matter of general law, a sufficient exception to a warrant requirement for an investigation by an agency with police powers. Your Committee remains concerned that any new type of warrant carries with it the potential for misuse.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Director of Health to issue a written opinion as to the immediate threat to public health or safety and state that immediate testing is necessary;
- (2) Emphasizing that if the property owner does not consent to the investigation and an administrative warrant must be obtained, it must be specific to the property to be searched and the types of samples or specimens sought;
- (3) Deleting the definition of "administrative investigation" as this is unnecessary for DOH to obtain the warrant it seeks;
- (4) Revising the references to "environmental samples" to read "natural resource or hazardous material" samples; and
- (5) Changing the effective date to January 1, 2046, to promote further discussion.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 931, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, Morita, Souki and Wakai.

#### **SCRep. 1624      Finance on S.B. No. 119**

The purpose of this bill is to simplify the conduct of international business by recognizing money judgments obtained in other nations for the purpose of enforcement.

This bill replaces the Uniform Foreign Money-Judgments Recognition Act, enacted in 1996 and codified as Chapter 658C, Hawaii Revised Statutes, with the Uniform Foreign-Country Money Judgments Recognition Act. This measure updates current law by, among other things:



- (1) Providing a statute of limitation on enforcement of a foreign-country judgment;
- (2) Providing that the party seeking recognition of a foreign judgment has the burden to prove that the judgment is subject to the Act; and
- (3) Imposing the burden of proof of establishing that a specific ground for non-recognition exists, upon the party resisting recognition.

The Hawaii Commission to Promote Uniform Legislation provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1625 Finance on S.B. No. 862**

The purpose of this bill is to assist the Hawaii Housing Finance and Development Corporation (HHFDC) in its collection of the amounts owing to it under shared appreciation equity and other liens when the property is sold or foreclosed upon. To further facilitate collection, this bill also requires HHFDC to receive written notice of an intent to foreclose 45 days prior to commencement of the foreclosure proceedings.

The Office of Hawaiian Affairs and HHFDC supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1626 Finance on S.B. No. 878**

The purpose of this bill is to improve government efficiency by providing that Public Utilities Commission (PUC) hearing notices regarding proposed changes in public utility rates need only be published in the counties served by the utility, rather than statewide.

PUC supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 878, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1627 Finance on S.B. No. 880**

The purpose of this bill is to repeal the Public Utility Commission's (PUC) responsibility for gas pipeline safety and inspections, as those functions have been performed by the U.S. Department of Transportation since 1993.

PUC supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1628 Finance on S.B. No. 947**

The purpose of this bill is to conform the State Unemployment Insurance Law to federal law by:

- (1) Ensuring that the State's experience rating system is applied uniformly to all business transfers, whether total or partial, or mandatory or voluntary; and
- (2) Amending a citation of federal law to reflect the correct section of the Internal Revenue Code, as amended.

The Department of Labor and Industrial Relations supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1629 Finance on S.B. No. 39**

The purpose of this bill is to ensure fiscal transparency and accountability by requiring the University of Hawaii (UH) to report semi-annually to the Legislature on the moneys in the Hawaii Cancer Research Special Fund, including deposits, expenditures, and other transactions.

The UH System, High Technology Development Corporation, and American Cancer Society Hawaii Pacific, Inc., supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 39 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1630 Finance on S.B. No. 160**

The purpose of this bill is to afford the Department of Education (DOE) more flexibility in adjusting the prices of school meals in light of cost increases, by modifying the method by which the prices of school meals, both breakfast and lunch, are determined.

DOE supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Sagum and Pine.

**SCRep. 1631 Finance on S.B. No. 162**

The purpose of this bill is to eliminate redundancy in the Department of Education (DOE) by repealing the Performance Standards Review Commission.

DOE supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Sagum and Pine.

**SCRep. 1632 Finance on S.B. No. 163**

The purpose of this bill is to repeal the statutory provision creating district business and fiscal officers within the Department of Education (DOE), as other DOE personnel already provide all the services required of the district business and fiscal officers.

DOE supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Sagum and Pine.

**SCRep. 1633 Finance on S.B. No. 164**

The purpose of this bill is to expand the use of funds in the Federal Grants Search, Development, and Application Revolving Fund (Fund) to monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures. This bill also renames the Fund to the "Federal Grants Revolving Fund."

The Department of Education supported this bill. The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 164 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1634 Finance on S.B. No. 1250**

The purpose of this bill is to amend provisions relating to emergency hires at the Department of Education (DOE) by clarifying that:

- (1) No individual may be employed by DOE on an emergency basis for more than three years in the aggregate; and
- (2) Unlicensed individuals who have been hired on an emergency basis after June 30, 1997, but prior to July 1, 2008, may be employed on an emergency basis for no more than four years in the aggregate.

DOE supported this bill. The Hawaii Teacher Standards Board submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1250, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Sagum and Pine.

**SCRep. 1635 Finance on S.B. No. 528**

The purpose of this bill is to continue to regulate the sale of tobacco by making permanent the retail tobacco permit law that was established in Act 131, Session Laws of Hawaii 2005.

The Department of Taxation, Department of the Attorney General, American Cancer Society, Coalition for a Tobacco-Free Hawaii, Hawaii Food Industry Association, American Heart Association, and a concerned individual testified in support of this bill. A concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1636 Finance on S.B. No. 166**

The purpose of this bill is to ensure the most effective methods for treatment of cancer are available to people with limited economic means by requiring health insurance providers that offer coverage for cancer treatment to provide health insurance coverage for all chemotherapy treatment, including orally administered chemotherapy, under the same terms and conditions and at a rate calculated according to the same methods as payment or reimbursement for intravenously administered chemotherapy.

The American Cancer Society, Filipinos for Affirmative Action, Filipino Coalition for Solidarity, Filipino American Citizens League, United Filipino Council of Hawaii, Oahu Filipino Community Council, Asian American Network for Cancer Awareness Research and Training, Nursing Advocates and Mentors, Inc., and several concerned individuals supported this bill. Kaiser Permanente Hawaii opposed this measure. The Department of Commerce and Consumer Affairs, Hawaii Association of Health Plans, American Family Life Assurance Company of Columbus, and Hawaii Medical Service Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 166, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1637 Finance on S.B. No. 568**

The purpose of this bill is to establish the Electronic Prescription Drug Program Task Force within the Department of Health (DOH) to develop a plan to implement, by July 1, 2011, an electronic prescription drug program for use by pharmacists, physicians, and others authorized to prescribe or dispense prescription drugs in the state.

Policy Advisory Board for Elder Affairs and Kaiser Permanente Hawaii supported this bill. DOH, Department of Human Services, and Walgreen Co. submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1638 Finance on S.B. No. 585**

The purpose of this bill is to ensure access to prescription medications in rural and underserved areas of the state by allowing remote dispensing pharmacies (RDP) located on islands without pharmacies, in health maintenance organization facilities, or in areas at least five miles from another pharmacy to:

- (1) Provide medications to patients with health insurance coverage;
- (2) Dispense controlled substances; and
- (3) Continue operating in the same location if a pharmacy is subsequently established on the same island or within five miles of the RDP.

The Department of Public Safety, Board of Pharmacy, Hawaii Alliance for Retired Americans, Lanai Women's Center, Hawaii Medical Service Association, Straub Lanai Family Health Center, Kaiser Permanente Hawaii, and numerous concerned individuals supported this bill. Walgreen Co., Americans for Safe Access – Honolulu Chapter, West Oahu Hope for a Cure Foundation, and several concerned individuals submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1639 Finance on S.B. No. 777**

The purpose of this bill is to ensure the delivery of accurate sex education information by requiring sexuality health education programs that receive state funding to provide medically-accurate, factual, and age-appropriate information that includes information on abstinence, contraception, and methods of disease prevention.

The American Civil Liberties Union of Hawaii, Hawaii State Democratic Women's Caucus, Hawaii Women's Political Caucus, National Association of Social Workers, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Youth Services Network, Community Alliance on Prisons, and many concerned individuals supported this bill. Catholic Charities Hawaii, Catholic Charities Hawaii Try Wait Program, Hawaii Family Forum, and many concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1640 Finance on S.B. No. 843**

The purpose of this bill is to assist the court in rendering appropriate sentences by restoring a statutory provision that allows the court, in its discretion, to order a defendant who has been convicted of a felony or a misdemeanor to submit to mental or other medical observation and examination prior to being sentenced.

The Judiciary and Office of the Prosecuting Attorney of the County of Hawaii testified in support of this bill. The Department of the Attorney General and Department of the Prosecuting Attorney of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1641 Finance on S.B. No. 896**

The purpose of this bill is to allow the Department of Defense (DOD) to comply with federal wage constraints by exempting positions in the Hawaii National Guard's adult education programs from civil service requirements.

DOD supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1642 Finance on S.B. No. 378**

The purpose of this bill is to help ensure the appropriate regulation and management of certain fish populations by requiring the Department of Land and Natural Resources (DLNR) to:

- (1) Continue holding public informational meetings regarding the taking and protection of uhu, weke/moana kali, and ulua/papio;
- (2) Gather and use all available data as support for any proposed rules based on public input and develop a monitoring and evaluation program to determine the effects of such rules; and
- (3) Develop a monitoring and evaluation program examining various factors on the ecosystem that will affect the habitat and forage of uhu, weke/moana kali, and ulua/papio.

The Hawaii Nearshore Fishermen and several concerned individuals supported this bill. DLNR and the Nature Conservancy opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 378, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1643 Finance on S.B. No. 1167**

The purpose of this bill is to improve the management of the Hawaii Tourism Authority (HTA) by, among other things:

- (1) Making the private contractor operating the Hawaii Convention Center subject to the Hawaii Public Procurement Code;
- (2) Changing the title of the Executive Director of HTA to President and Chief Executive Officer (CEO) and clarifying the President and CEO's duties;
- (3) Removing the power of HTA to employ persons exempt from Chapters 76 (Civil Service) and 78 (Public Service), Hawaii Revised Statutes;
- (4) Requiring periodic reports to the Governor, Speaker of the House of Representatives, and President of the Senate on contracts and agreements, instead of notice about contracts or agreements valued at \$25,000 or more; and
- (5) Making permanent HTA's ability to retain its own attorneys and appoint a sports coordinator.

HTA and the Department of Business, Economic Development, and Tourism offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1167, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1644 Finance on S.B. No. 91**

The purpose of this bill is to update and improve services provided by the Community-based Economic Development Technical and Financial Assistance Program (CBED) by, among other things:

- (1) Allowing the Hawaii Community-based Economic Development Revolving Fund to receive funding from any source;

- (2) Deleting the prohibition against reallocating loan funds to the grant program that could cause an insufficient availability of funds to make loans;
- (3) Reducing the cap on the outstanding balance of loans issued to any one applicant under CBED from \$500,000 to \$250,000; and
- (4) Reducing the maximum interest rate for loans from ten to six percent.

The Department of Business, Economic Development, and Tourism, Hawaii Alliance of Nonprofit Organizations, and a concerned individual supported this bill. The Hawaii Alliance for Community-Based Economic Development submitted comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 91, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1645 Finance on S.B. No. 523**

The purpose of this bill is to provide the High Technology Development Corporation (HTDC) with greater flexibility in supporting the growth and development of small high technology businesses by:

- (1) Removing the \$25,000 cap on certain state grants; and
- (2) Allowing businesses that receive a federal small business innovation research phase I award or contract or a federal small business technology transfer program award or contract to receive larger state grants of up to 50 percent of the federal award or contract.

The Department of Business, Economic Development, and Tourism and HTDC offered comments.

Your Committee has amended this bill by:

- (1) Authorizing rather than requiring HTDC to provide these state grants; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 523, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 523, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1646 Finance on S.B. No. 537**

The purpose of this bill is to better monitor, assess, and promote aerospace development in the state by establishing an Aerospace Advisory Committee that, among other things, will:

- (1) Track trends and priorities in aerospace development;
- (2) Identify, promote, and recommend opportunities, strategies, and policies to expand and diversify aerospace development and aerospace-related industries in Hawaii;
- (3) Support networking with national and international aerospace agencies, institutions, and organizations to develop public-private partnerships; and
- (4) Appoint temporary working groups to assist the Office of Aerospace Development in research and analysis to complete reports to the Legislature and the Governor.

Enterprise Honolulu, the Pacific International Space Center for Exploration Systems, and two concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism commented on this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date from July 1, 2112, to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 537, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1647 Finance on S.B. No. 161**

The purpose of this bill is to repeal an unnecessary statutory provision relating to teacher salary ranges as teacher salary schedules are currently negotiated through collective bargaining.

The Department of Education and the Department of Budget and Finance supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 161, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 161, H.D. 1.

Signed by all members of the Committee except Representatives Har, Sagum and Pine.

**SCRep. 1648 Finance on S.B. No. 178**

The purpose of this bill is to facilitate the reduction of food waste by requiring the Department of Education (DOE) to partner with the Department of Health (DOH) to establish a three-year food waste recycling pilot project in one or more public schools.

DOH opposed this bill. DOE provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 178, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1649 Finance on S.B. No. 501**

The purpose of this bill is to support the Teacher Education Coordinating Committee in its work to strengthen the efforts of all teacher education institutions in Hawaii by including a representative from each accredited state-approved teacher education unit, rather than from each accredited teacher training institution in Hawaii.

The Department of Education and Hawaii Teacher Standards Board supported this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 501, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 501, H.D. 1.

Signed by all members of the Committee except Representatives Har, Sagum and Pine.

**SCRep. 1650 Finance on S.B. No. 1164**

The purpose of this bill is to remove barriers to educational success faced by children of military families due to frequent moves caused by the deployment of their parents by enacting the Interstate Compact on Educational Opportunity for Military Children (Compact) which, among other things:

- (1) Facilitates the timely enrollment of children of military families and ensures that they are not placed at a disadvantage due to difficulties in the transfer of education records or variations in entrance and age requirements;
- (2) Facilitates the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities;
- (3) Provides for the uniform collection and sharing of information between and among member states, schools, and military families under the Compact; and
- (4) Promotes flexibility and cooperation between the educational system, parents, and the student.

The State Department of Defense, Department of Education, Chamber of Commerce of Hawaii, and Hawaii Business Roundtable supported this bill. The Governor's Administration provided comments.

Your Committee has amended this bill by:

- (1) Changing the membership of the State Council on Educational Opportunity for Military Children (Council) by specifying that the Council include one installation-level representative from each branch of service of the Air Force, Army, Marine Corps, Navy, and Coast Guard;
- (2) Clarifying the definition of "active duty"; and
- (3) Clarifying that the Council shall establish policies and procedures governing its operations, but subject to the open meeting requirements of chapter 92, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1164, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1651 Finance on S.B. No. 1329**

The purpose of this bill is to support the efforts of the Early Learning Council (Council) to develop the State's early learning system by:

- (1) Clarifying the membership on the Council;
- (2) Directing the Council to develop a plan to ensure that the needs of junior kindergarteners are addressed;
- (3) Renaming the Keiki First Steps Trust Fund as the Early Learning Trust Fund (Trust Fund); and
- (4) Specifying that any unexpended general fund appropriations for fiscal year 2008-2009 designated for the early learning system shall lapse into the Trust Fund on June 30, 2009.

The Department of Education, Early Learning Council, Kamehameha Schools, Hawaii Association of Independent Schools, Good Beginnings Alliance, and Aloha United Way supported this measure. The Department of Budget and Finance opposed this bill. The Department of Human Services offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provisions that lapse unexpended general fund appropriations designated for the early learning system into the Trust Fund on June 30, 2009; and
- (2) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1329, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1652 Finance on S.B. No. 470**

The purpose of this bill is to amend certain provisions relating to liquor industry licensing, practices, and adjudication process. Among other things, this bill:

- (1) Allows liquor license issuances and renewals for applicants complying with an installment plan agreement for the payment of delinquent taxes;
- (2) Allows a certain amount of the fines collected from licensees each year to be used for public liquor-related educational or enforcement programs;
- (3) Amends the statute on liquor license transfers to more accurately reflect modern business enterprise organizations; and
- (4) Extends the time frame for liquor commissions to grant or refuse a liquor license application following a public hearing.

The Departments of Liquor Control of the Counties of Kauai, Maui, and Hawaii, and the City and County of Honolulu Liquor Commission supported this bill. The Department of Taxation opposed this bill. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provision that includes personal delivery as a form of written notice provided to all parties for administrative hearings under the Hawaii Administrative Procedure Act;
- (2) Changing its effective date to July 1, 2009, and inserting a repeal date of June 30, 2011; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 470, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1653 Finance on S.B. No. 887**

The purpose of this bill is to update the Escrow Depositories Law to:

- (1) Clarify the types of escrow transactions covered by the law;
- (2) Address the significantly larger transactions routinely handled by the industry today;
- (3) Provide more flexibility in supervising and regulating the industry; and
- (4) Enhance consumer protections in escrow transactions.

The Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 887, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1654 Finance on S.B. No. 892**

The purpose of this bill is to update the Insurance Code by, among other things:

- (1) Updating statutory references;
- (2) Clarifying allowable investments in common trust funds, mutual funds, and exchange traded funds;
- (3) Imposing a time limit for claiming the Retaliatory Tax Credit;
- (4) Allowing a limited adjuster license for crop insurance claims;
- (5) Updating continuing education requirements;
- (6) Clarifying rate filing requirements, including the acceptance of electronic filing; and
- (7) Authorizing the Insurance Commissioner to require insurance license applicants to provide fingerprints and conduct criminal history record checks.

The American Council of Life Insurers testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, National Association of Insurance and Financial Advisors, Char Hamilton Campbell & Yoshida, and Hawaii Independent Insurance Agents offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 892, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1655 Finance on S.B. No. 1107**

The purpose of this bill is to enable the Real Estate Commission to administer its condominium education programs more efficiently by merging the Condominium Management Education Fund into the Condominium Education Trust Fund.

The Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium & Cooperative Owners supported this measure. The Real Estate Commission offered comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments for consistency, style, and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1107, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1656 Finance on S.B. No. 1218**

The purpose of this bill is to protect homebuyers by allowing the Commissioner of financial institutions to regulate, license, examine, and enforce laws regulating mortgage loan originators. This measure also exempts mortgage loan originators from Chapter 454, Hawaii Revised Statutes, relating to mortgage brokers and solicitors.

The Office of Hawaiian Affairs, Hawaii Financial Services Association, Hawaii Bankers Association, Mortgage Bankers Association of Hawaii, Hawaii Credit Union League, and Hawaii Association of Mortgage Brokers supported this bill. The Department of Commerce and Consumer Affairs opposed this measure. Legal Aid Society of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1218, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1218, S.D. 2, H.D. 2.



Signed by all members of the Committee except Representative Ward.

**SCRep. 1657 Finance on S.B. No. 43**

The purpose of this bill is to prevent or minimize physician shortages and facilitate efforts to assess Hawaii's physician workforce on an ongoing-basis by:

- (1) Establishing the John A. Burns School of Medicine Special Fund (Special Fund) to provide funding for the School's activities relating to physician workforce assessment and planning within Hawaii;
- (2) Requiring the assessment of a fee upon renewal of license by a physician or surgeon, with proceeds to be deposited into the Special Fund;
- (3) Appropriating funds to implement statewide physician workforce assessment and planning; and
- (4) Requiring the John A. Burns School of Medicine to submit reports detailing its assessment of the physician workforce to the Legislature, State Health Planning and Development Agency, and the Hawaii Medical Board.

Hawaii State Rural Health Association, Hawaii Pacific Health, Hawaii Association for Justice, and a concerned individual supported this bill. The Department of Budget and Finance and Hawaii Medical Association opposed this bill. AARP submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 43, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.  
(Representative Ward voted no.)

**SCRep. 1658 Finance on S.B. No. 423**

The purpose of this bill is to ensure continued access to health care in our communities and meet rising health care costs by appropriating \$10,181,909 in state general funds to maximize the availability of the federal disproportionate share hospital allowance of \$12,500,000 secured by Hawaii's Congressional delegation.

Hawaii Pacific Health, Healthcare Association of Hawaii, AARP Hawaii, The Queen's Medical Center, Kaiser Permanente Hawaii, and The Chamber of Commerce of Hawaii supported this bill. The Department of Human Services opposed this bill.

Your Committee has amended this bill by inserting an unspecified amount as the appropriation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 423, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 423, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1659 Finance on S.B. No. 427**

The purpose of this bill is to clarify that amounts received by a managed care support contractor for actual costs or advances to third party health care providers made pursuant to a contract for the administration of the federal TRICARE program are exempt from the general excise tax.

TriWest Healthcare Alliance Inc., The Chamber of Commerce of Hawaii, and Hawaii Medical Service Association supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 427, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1660 Finance on S.B. No. 1140**

The purpose of this bill is to require all health plans to reimburse:

- (1) Critical access hospitals at a rate of not less than an unspecified percentage of costs consistent with Medicare and Medicaid reimbursement rates; and

- (2) Federally qualified health centers no less than their respective prospective payment system rates under Hawaii law.

The Lanai Women's Center dba Lanai Community Health Center, Waimanalo Health Center, Bay Clinic, Inc., Kalihi-Palama Health Center, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, Hamakua Health Center, Hoola Lahui Hawaii, and a concerned individual supported this bill. The Department of Human Services, Hawaii Association of Health Plans, and Hawaii Medical Association opposed this measure. The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, and American Family Life Assurance Company of Columbus offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and  
 (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1140, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1661 Finance on S.B. No. 1205**

The purpose of this bill is to assist unemployed and underemployed persons in maintaining their health insurance coverage by:

- (1) Establishing the Temporary Health Insurance for Unemployed and Underemployed Persons Program (Program) within the Department of Human Services (DHS) to provide temporary health care coverage for persons who have lost health insurance coverage due to lost employment or a reduction in hours; and  
 (2) Appropriating funds for the Program, provided that only funds received under the federal American Recovery and Reinvestment Act of 2009 be expended for the Program.

The ILWU Local 142 and several concerned individuals supported this bill. DHS opposed this measure. The Hawaii Medical Service Association offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and  
 (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1205, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1205, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1662 Finance on S.B. No. 1263**

The purpose of this bill is to enhance the regulation of the tattoo industry by, among other things:

- (1) Requiring a permit to operate a tattoo shop or temporary location, issued by the Department of Health (DOH);  
 (2) Clarifying:  
     (A) The definition of "tattoo artist";  
     (B) The licensing requirements for tattoo artists; and  
     (C) The enforcement action and penalties for violations;  
 and  
 (3) Repealing the definition of "facial tattoos".

Many concerned individuals supported this bill. DOH offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and  
 (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1263, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1263, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1663 Finance on S.B. No. 512**

The purpose of this bill is to change the ethanol facility tax credit to the biofuel facility tax credit.

This bill also changes the amount of the biofuel facility tax credit from 30 percent of the qualified biofuel facility's nameplate capacity to 40 cents per gallon produced if the nameplate capacity is greater than 500,000 gallons but less than 15,000,000 million gallons. This bill further requires that the nameplate capacity be determined by the facility owner and not exceed the amount of production actually recorded during a consecutive seven-day period multiplied by 52.

The United States Representative from the First District of Hawaii, The Chamber of Commerce of Hawaii, the Hawaii Science and Technology Council, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism, the Department of Taxation, the Tax Foundation of Hawaii, Hawaii BioEnergy, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Pacific West Energy LLC, Pacific Biodiesel, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Capping the annual amount of certified credits allowed from July 1, 2011, through December 31, 2012, at \$8,000,000;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 512, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 512, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1664 Finance on S.B. No. 1046**

The purpose of this bill is to address the problem of medically underserved rural communities by appropriating funds for the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program.

The Hawaii Medical Association, Hawaii Medical Service Association, and numerous concerned individuals supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1046, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1665 Finance on S.B. No. 1674**

The purpose of this bill is to address the capital facility needs of the University of Hawaii (UH) through the construction of new projects and the renovation and major repair of existing facilities by:

- (1) Increasing the amount of the revenue bond proceeds authorized by Act 161, Session Laws of Hawaii 2007 (Act 161) from \$100,000,000 to \$250,000,000;
- (2) Extending the lapse date of the appropriation of \$100,000,000 of revenue bond proceeds authorized by Act 161 for fiscal year 2008-2009 to June 30, 2013; and
- (3) Appropriating \$150,000,000 for fiscal year 2009-2010 out of the revenue bond proceeds, to lapse on June 30, 2015.

UH and the Pacific Resource Partnership supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to June 29, 2009; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1674, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1666 Finance on S.B. No. 718**

The purpose of this bill is to promote safety on Hawaii's roadways for all users by:

- (1) Directing the Department of Transportation (DOT) and the county transportation departments to adopt a complete streets policy that seeks to reasonably accommodate access and mobility for all users; and
- (2) Establishing a temporary task force to review highway design standards and guidelines.

AARP Hawaii, Peoples Advocacy for Trails Hawaii, Hawaii Bicycling League, One Voice for Livable Islands, Injury Prevention Advisory Committee, Get Fit Kauai, Kauai Path, Inc., Hawaii Nutrition and Physical Activity Coalition, Hawaii Public Health Association, and several concerned individuals supported this bill. DOT, Windward Ahupuaa Alliance, and American Planning Association Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Removing reference to trail systems in developments subject to impact fees; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 718, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 718, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1667 Finance on S.B. No. 1224**

The purpose of this bill is to provide economic relief to airport concessionaires by giving the Governor, or Director of the Department of Transportation (DOT) if so directed by the Governor, the discretion and authority to:

- (1) Provide relief to airport concessionaires:
  - (A) Whose leases or contracts were entered into on or after November 1, 2006, and who spent capital improving their concession premises; or
  - (B) Who spent capital improving their concession premises as a result of any agreement entered into with DOT under Act 128, Session Laws of Hawaii 2006;
- (2) Reach a relief agreement with the concessionaire to extend the term of the lease or contract, grant or modify existing relief provisions, reduce or waive rent, and otherwise modify and amend any terms of the concession lease or contract;
- (3) Grant fair and reasonable relief to a concessionaire whose concession has suffered operating losses for any period starting on or after November 1, 2006;
- (4) Grant lease or contract provisions that:
  - (A) Provide for annual adjustments in the guaranteed rents of all airport concessionaires that are to be paid to the State; and
  - (B) For each airport concession lease or contract not having economic emergency relief provisions, modify and adjust these contracts to contain emergency relief provisions similar to those in other concession leases or contracts issued after September 11, 2001, and for any lease or contract, provide for optional additional relief during dire economic times;

and
- (5) Take into account the concession's economic circumstances and whether the concession received relief by way of annual adjustment in guaranteed rents or other governmental relief to avoid duplicate economic relief benefits to a concessionaire.

Finally, this bill stipulates that:

- (1) In seeking relief pursuant to this Act, qualified concessionaires may only seek relief for losses of gross receipts or loss of business which occurred during periods of time beginning November 1, 2006, or later;
- (2) Remedies are available to both DOT and the concessionaires should agreement not be reached between the two parties on the granting of economic relief within 120 days of enactment of this measure;
- (3) Relief shall be provided as long as, and to the extent that, such relief does not violate any applicable federal laws and regulations, does not jeopardize the receipt of any federal aid, or impair the obligation of DOT to holders of any bond issued by DOT; and
- (4) The Act be effective on July 1, 2009, and be repealed on July 1, 2011.

DOT, The Legislative Committee for Airport Concessionaires, HMSHost, ICE Currency Services USA, and Island Shoppers, Inc., supported this bill. The Airlines Committee of Hawaii commented on this measure.

Your Committee has amended this bill by adding an additional reference to Act 201, Session Laws of Hawaii, 2004, which also provided relief to airport concessionaires.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1224, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1668 Finance on S.B. No. 642**

The purpose of this bill is to clarify the laws concerning wages and health and retirement benefits for excluded employees by providing that:

- (1) Adjustments for excluded civil service employees under the same classification systems as employees within collective bargaining units result in compensation and benefit packages that are at least equal to those provided under collective bargaining agreements for counterparts within the employer's jurisdiction; and
- (2) Adjustments for excluded employees in the excluded managerial compensation plan to be at least equal to across-the-board wage increases or reductions, step movement, and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded.

The City and County of Honolulu Department of Human Resources and Hawaii Fire Fighters Association supported this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 642, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 642, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1669 Finance on S.B. No. 1568**

The purpose of this bill is to financially assist individuals during difficult economic times by extending unemployment insurance benefits to:

- (1) An individual for whom a majority of the weeks of work in the individual's base period includes part-time work and who is seeking only part-time work; and
- (2) An individual who is separated from employment for a compelling family reason, including:
  - (A) Domestic violence;
  - (B) The illness or disability of an immediate family member; or
  - (C) The individual's need to accompany a spouse in a job relocation and for whom commuting is not viable.

The Department of Labor and Industrial Relations (DLIR), ILWU Local 142, and the Policy Advisory Board for Elderly Affairs supported this bill. The Honolulu Department of the Prosecuting Attorney, Hawaii State Coalition Against Domestic Violence, and Hawaii Government Employees Association offered comments.

Your Committee has amended this bill by incorporating language from H.B. No. 332, H.D. 2, to:

- (1) Further describe domestic violence to include sexual violence and the circumstances in which the domestic or sexual violence may jeopardize the safety of the individual or the individual's immediate family member;
- (2) Set forth the documentation DLIR may request to verify the domestic or sexual violence; and
- (3) Require the current or former employer to keep confidential any documentation provided to DLIR.

Your Committee also made technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1568, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1670 Finance on S.B. No. 210**

The purpose of this bill is to help maintain the positive influence of important family connections and reentry programs on inmate rehabilitation by specifying criteria that must be considered in deciding whether to transfer inmates between correctional facilities located in Hawaii and correctional facilities located outside of Hawaii.

The American Civil Liberties Union of Hawaii, Drug Policy Action Group, Drug Policy Forum, Community Alliance on Prisons, and several concerned individuals supported this bill. The Department of Public Safety and Department of the Prosecuting Attorney of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 210, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Pine and Ward.

**SCRep. 1671 Finance on S.B. No. 309**

The purpose of this bill is to clarify that sheriffs' chaplains are entitled to workers' compensation.

The Department of Public Safety supported this bill. The National Federation of Independent Businesses and The Hawaii Chamber of Commerce submitted comments.

Your Committee has amended this bill by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 309, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 309, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1672 Finance on S.B. No. 539**

The purpose of this bill is to ensure that the reentry needs of persons committed to correctional facilities are being evaluated and met in an effective and appropriate manner by:

- (1) Renaming the Intake Service Center Division of the Department of Public Safety to the Reentry Intake Services Division (Division); and
- (2) Requiring the Division to work closely and collaborate with the Hawaii Paroling Authority, the Correction Program Services division, and the furlough programs in each county.

The American Civil Liberties Union, Drug Policy Forum of Hawaii, Drug Policy Action Group, Community Alliance on Prisons, Na Koa Ikaika, and several concerned individuals supported this bill. The Department of Public Safety opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 539, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 539, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Pine and Ward.

**SCRep. 1673 Finance on S.B. No. 540**

The purpose of this bill is to establish and implement an inmate community transition program based upon the community transitional phase of the federal residential drug abuse program. The program gradually prepares inmates for reintegration into the community and provides an incentive to join and successfully complete the program by offering a reduction of up to one-year from the inmate's minimum sentence.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, Drug Policy Action Group, and several concerned individuals supported this bill. The Department of Public Safety opposed this bill.

Your Committee has amended this bill by:

- (1) Making the establishment and implementation of the program discretionary, rather than mandatory;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 540, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Pine and Ward.

**SCRep. 1674 Finance on S.B. No. 564**

The purpose of this bill is to clarify fire inspection laws by:

- (1) Clarifying that the county fire chiefs or their designees are authorized to inspect all buildings and facilities, except state-owned airport facilities, and not only those that are state-owned or county-owned; and
- (2) Requiring fire safety inspections at least once every five years or as often as practicable or necessary instead of every two years for all buildings other than public schools.

The State Fire Council, Honolulu Fire Department, Hawaii Fire Department, and Hawaii Association of Independent Schools supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 564, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 564, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Pine and Ward.

**SCRep. 1675 Finance on S.B. No. 967**

The purpose of this bill is to amend Hawaii's controlled substance laws to make them consistent with federal law by:

- (1) Adding new drugs to Hawaii's controlled substance laws to conform to changes made in the federal law;
- (2) Including consideration of a registrant's surrender of a federal controlled substance registration in determining whether the registrant's state registration should be suspended or revoked;
- (3) Authorizing and establishing procedures for pharmacies that electronically share a real-time, online database, to transfer controlled substance prescriptions between their pharmacies;
- (4) Specifying what information practitioners and pharmacists who dispense controlled substances are required to record in either a written log book or an electronic database;
- (5) Permitting acceptance of either a written signature or a signature recorded by an electronic capture device;
- (6) Providing that the initial registration information in a mail order prescription drug plan will satisfy identification requirements for dispensing controlled substances pursuant to valid mail order prescriptions; and
- (7) Authorizing administrative inspections of the premises and records, other than financial data, for establishments such as pharmacies that are authorized to hold, manufacture, dispense, or otherwise dispose of controlled substances.

The Department of Public Safety, Honolulu Police Department, Kaiser Permanente Hawaii, and Walgreen Co., supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to "upon approval;" and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 967, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1676 Finance on S.B. No. 190**

The purpose of this bill is to permit the Department of Human Services (DHS) to establish a two-year demonstration project allowing two private-pay individuals sharing specified relationships to occupy the same community care foster family home under certain conditions.

Several concerned individuals supported this bill. DHS provided comments.

Your Committee has amended this bill by:

- (1) Including language that would allow individuals under the demonstration project to continue their arrangements once the project is concluded;
- (2) Clarifying that there must have been a minimum of three vacant beds available for Medicaid clients at other community care foster family homes;
- (3) Clarifying that one member of the private-pay couple must have resided at the community care foster family home for at least five consecutive years preceding the second member of the private-pay couple entering the same community care foster family home;
- (4) Specifying that the member of the private-pay couple who has been residing in the community care foster family home must have a medical condition that prevents the individual from being moved;
- (5) Requiring DHS to report its findings regarding the demonstration project to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 190, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 190, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Awana, Keith-Agaran, C. Lee, Nishimoto, Sagum, Yamashita and Pine.

**SCRep. 1677 Finance on S.B. No. 415**

The purpose of this bill is to help protect consumers who purchase home care services by requiring the Department of Health (DOH) to adopt rules in accordance with Chapter 91, Hawaii Revised Statutes, to:

- (1) Protect the health, safety, and civil rights of clients of home care agencies; and
- (2) Provide for the licensure of home care agencies.

The Elderly Affairs Division of the Department of Community Services of the City and County of Honolulu, Policy Advisory Board for Elder Affairs, and Chamber of Commerce of Hawaii supported this bill. The Department of Human Services, DOH, and Healthcare Association of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 415, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 415, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1678 Finance on S.B. No. 851**

The purpose of this bill is to bring the Child Support Enforcement Agency (CSEA) into compliance with federal law and to increase agency efficiency by:

- (1) Clarifying that all income withholding payments be sent to CSEA or another state's enforcement agency;
- (2) Requiring the custodial parent to elect to receive child support payments through an electronic benefits transfer system or direct deposit, and if such election is not made, allowing CSEA to determine a method that complies with the time frame required under Title IV-D of the Social Security Act;
- (3) Allowing an electronic copy or facsimile of a signature on certified mailers to serve as proof of service for certified mail;
- (4) Clarifying that child support enforcement agencies other than CSEA may enforce a child support lien;
- (5) Requiring payment to an entity seeking to enforce a child support lien once that entity has complied with state procedural rules; and
- (6) Requiring CSEA to use only the last four digits of the obligor's Social Security Number on the notice of child support lien.

The State Attorney General and Department of Human Services supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 851, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1679 Finance on S.B. No. 912**

The purpose of this bill is to ensure compliance with federal Title IV-E permanency hearing requirements by:

- (1) Requiring that a permanency hearing be held within 12 months of a child's initial date of entry into out-of-home care or within 30 days of a judicial determination that a child is an abandoned infant or that aggravated circumstances are present and reasonable efforts to reunify a child and family are not required;
- (2) Requiring that the status of the child be reviewed at least every 12 months thereafter to determine whether the child is receiving appropriate services, that case plans are being properly implemented, and that plans are made that will lead to permanent placement; and
- (3) Delineating permanency hearing procedures.

The Department of Human Services supported this bill. The Judiciary and a concerned individual opposed this measure.

Your Committee has amended this bill by:



- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 912, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1680 Finance on S.B. No. 914**

The purpose of this bill is to conform statutes relating the Temporary Assistance for Needy Families (TANF) program to recent changes in federal regulation by:

- (1) Adding definitions for "non-work eligible household," "work eligible household," and "other work eligible household"; and
- (2) Conforming existing provisions to the new definitions.

The Department of Human Services supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 914, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1681 Finance on S.B. No. 1344**

The purpose of this bill is to help minimize disruptions to health care services to QUEST and QUEST Expanded Access recipients caused by positive enrollment by:

- (1) Requiring insurance entities contracting with the State to provide Medicaid coverage to enter into written contracts with a minimum of 50 percent of hospitals and providers in their coverage area;
- (2) Requiring the Department of Human Services (DHS) to conduct a public awareness campaign to educate QUEST and QUEST Expanded Access recipients about their options; and
- (3) Prohibiting DHS from requiring a QUEST or QUEST Expanded Access recipient to re-enroll in a health plan unless their chosen plan no longer actively provides services and coverage.

The Hawaii Primary Care Association, Hawaii Pacific Health, and AlohaCare testified in support of this bill. DHS testified in opposition to this measure. The Department of the Attorney General, Kaiser Permanente Hawaii, and MDX Hawaii provided comments on this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1344, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1344, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1682 Finance on S.B. No. 1679**

The purpose of this bill is to help maintain program levels deemed essential to education, public health, and public welfare by making specific appropriations from the State's Emergency and Budget Reserve Fund.

The Department of Education, State Council on Developmental Disabilities, Hawaii State Teachers Association, Honolulu County's Elderly Affairs Division, Kauai County's Agency on Elderly Affairs, Policy Advisory Board for Elder Affairs, Hawaii Immigrant Justice Center, Legal Aid Society of Hawaii, Volunteer Legal Services Hawaii, National Association of Social Workers, Hawaii Disability Rights Center, Hawaii Primary Care Association, Hawaii Alliance for Retired Americans, Waikiki Community Center, Community Children's Councils of Hawaii, Parents and Children Together, Kalihi-Palama Health Center, ILWU Local 142, Arc of Kauai, Hawaii Waiver Providers Association, Child & Family Service, Easter Seals Hawaii, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, American Cancer Society Hawaii Pacific Inc., Special Education Center Hawaii, Goodwill Industries of Hawaii Inc., Special Education Advisory Council, Arc in Hawaii, Arc of Hilo, Hawaii Substance Abuse Coalition, Fifty Plus Lifelong Fitness, and numerous concerned individuals supported this bill. The Department of Budget and Finance opposed this measure. The Department of Human Services, Catholic Charities Hawaii, and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1679, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1683 Finance on S.B. No. 521**

The purpose of this bill is to enable the counties to make more accurate real property tax assessments by requiring the registrar of the Bureau of Conveyances to provide without charge, within ten days after each week, an image and index of all instruments and documents that have been recorded that week. This bill further stipulates that the counties will agree upon one county to serve as the clearinghouse to receive this weekly information and forward it to the other counties without charge.

The Hawaii County Finance Department, City and County of Honolulu, Maui Real Property Tax Division, and Dowling Company, Inc., supported this bill. The Department of Land and Natural Resources opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 521, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1684 Finance on S.B. No. 522**

The purpose of this bill is to enable the counties to make more accurate real property tax assessments by requiring the assistant registrar of the Land Court to provide without charge, within ten days after each week, an image and index of all deeds and other voluntary instruments, writs, or other process that have been recorded that week relating to registered land. This bill further stipulates that the counties will agree upon one county to serve as the clearinghouse to receive this weekly information and forward it to the other counties without charge.

The Hawaii County Finance Department, City and County of Honolulu, and Maui Real Property Tax Division supported this bill. The Department of Land and Natural Resources opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 522, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1685 Finance on S.B. No. 1345**

The purpose of this bill is to provide fair compensation and a lease extension to a lessee of state land when the Department of Land and Natural Resources (DLNR) takes or condemns any portion of the land, preventing the lessee from using the land as originally intended.

The Hawaii Cattlemen's Council testified in support of this bill. DLNR opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1686 Judiciary on S.B. No. 468**

The purpose of this bill is to update and improve the management of coastal zones by, among other things:

- (1) Clarifying the objectives and policies of the Coastal Zone Management (CZM) Program;
- (2) Requiring the counties to ensure that there is reasonable street parking near public access areas in special management areas;
- (3) Adding additional conditions, relating to risk mitigation of coastal hazards and reasonable and adequate public access to the shoreline or beach area, to the list of conditions that must be met for the approval of developments in special management areas;
- (4) Exempting existing Waikiki beach structures and properties subject to the Waikiki Beach Reclamation Agreement from shoreline setback requirements;
- (5) Allowing public hearings to be waived prior to action on a variance application for temporary emergency protection of a legal inhabited dwelling or major infrastructure, if the structure is at risk of immediate damage from shoreline erosion or other coastal hazard;
- (6) Requiring the use of average annual shoreline erosion rates, where appropriate, in determining shoreline setbacks when establishing shoreline setback lines at distances greater than the statutorily established minimum distances; and
- (7) Requiring the counties to:
  - (A) Use the shoreline setback as a tool to minimize the damage from coastal hazards, and to consider measures such as early planning, variances for innovative design, and minimum buildable areas; and
  - (B) Ensure that any subdivided parcels are large enough to accommodate a shoreline setback based on average annual erosion rates or other means to mitigate environment damage and hazard exposure, and that public safety, public access, and public shoreline areas are protected.

The Department of Planning and Permitting of the City and County of Honolulu and Land Use Research Foundation of Hawaii supported this bill. The Office of Hawaiian Affairs, Hawaii Audubon Society, and Sierra Club, Hawaii Chapter, supported this bill with amendments. The Center for Island Climate and Adaptation, Kyo-ya Hotels & Resorts, LP, Hawaii Hotel & Lodging Association, and Waikiki Improvement Association supported the intent of this bill. The Office of Planning opposed this measure. The Hawaii Association of REALTORS and Outrigger Hotels submitted comments.

Upon further consideration, your Committee has amended this measure by:

- (1) Revising the beach protection policy of the CZM Program:
  - (A) To allow construction of private erosion-protection structures seaward of the shoreline when the structures enhance beach restoration; and
  - (B) To exempt from the "minimize construction" policy statement, construction of public coastal hazard protection structures that enhance beach conservation or restoration;
- (2) Specifically including the repair, maintenance, or interior alterations to hardened shorelines to the list of exclusions to the definition of the term "development";
- (3) Increasing the maximum valuation, from \$125,000, to \$250,000, for developments that may be authorized under the definitions of "special management area minor permit" and "special management area use permit";
- (4) Revising the exemptions to the shoreline setback requirements for Waikiki by clarifying that the exemption applies to:
  - (A) Any structure that abuts the shoreline within the Waikiki Special District as defined in the Land Use Ordinance, Chapter 21, Revised Ordinances of Honolulu, as of the effective date of this measure; or
  - (B) Properties that abut beaches that are subject to the Waikiki Beach Reclamation Agreement, as amended;
- (5) Providing that the waiver of public hearing prior to action on a variance application applies to temporary emergency protection of a legal structure or improvement costing more than \$50,000, if the structure or improvement is at risk of immediate damage from shoreline erosion or other coastal hazard;
- (6) Deleting the provision that requires the use of average annual shoreline erosion rates, where appropriate, when establishing shoreline setback lines at distances greater than the statutorily established minimum distances;
- (7) Adding private facilities or improvements that are mauka of an existing hardened shoreline to the list of allowable variances, subject to determination by the county planning commission; and
- (8) Changing its effective date to January 1, 2046, to promote further discussion.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 468, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 468, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, McKelvey, Mizuno and Morita.  
(Representative Thielen voted no.)

**SCRep. 1687      Judiciary on S.B. No. 714**

The purpose of this bill is to alleviate traffic congestion due to lane closures by allowing all motor vehicles, regardless of the number of persons carried in the vehicle, to use a high occupancy vehicle lane or zipper lane, subject to the Director of the Department of Transportation (DOT) declaring an emergency and allowing such use.

DOT, the County of Honolulu Department of Transportation Services, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 714, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 714, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

**SCRep. 1688      Judiciary on S.B. No. 1005**

The purpose of this bill is to encourage and protect artists and other persons in Hawaii's performing arts and related industries by:

- (1) Establishing a property right in the commercial use of a person's name, voice, signature, photograph, or likeness; and
- (2) Providing remedies for infringements on the right.

Genoa Keawe Records Inc., and Kanikapila Records Inc., supported this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Motion Picture Association of America Inc., Surfside Hawaii Inc., Cord International & Hana Ola Records, and a concerned individual submitted comments.

Your Committee has amended this bill by, among other things:

- (1) Deleting references to "photographs" as a protected attribute as it is covered under the term "likeness" as images and representations;

- (2) Setting an unspecified number of years after death that the publicity right may be asserted by a successor in interest;
- (3) Inserting an unspecified amount for a minimum damages award for infringement upon the right granted by this bill;
- (4) Requiring all transferees of publicity rights to register with the Department of Commerce and Consumer Affairs;
- (5) Providing that common law rights or other statutory rights, whether derived from state or federal law, or the enforcement of those rights are not infringed upon;
- (6) Inserting a severability clause; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1005, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1005, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

**SCRep. 1689      Judiciary on S.B. No. 1056**

The purpose of this bill is to improve highway safety and comply with federal regulations regarding commercial driver's licenses by:

- (1) Increasing the maximum fine to \$25,000 for an employer convicted of allowing a driver to operate a commercial vehicle when the driver, the commercial motor vehicle the driver is driving, or the motor carrier operation is subject to an out-of-service order;
- (2) Prohibiting any individual from driving a commercial motor vehicle in violation of an out-of-service order; and
- (3) Establishing or increasing penalties for drivers convicted of operating a commercial motor vehicle:
  - (A) In violation of an out-of-service order;
  - (B) With alcohol in the body; and
  - (C) With a blood alcohol content of 0.04 percent or more.

The Department of Transportation testified in support of this bill.

Your Committee has amended this bill by:

- (1) Adding a savings clause; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1056, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1056, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

**SCRep. 1690      Judiciary on S.B. No. 1183**

The purpose of this bill is to increase employment protections for persons with disabilities by requiring the Hawaii Civil Rights Commission (HCRC) to adopt administrative rules to conform state law to recently amended federal law that strengthens protections against disability discrimination in employment.

The HCRC supported this bill. The State Council on Developmental Disabilities and Disability and Communication Access Board supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Codifying the requirement that HCRC adopt rules defining or amending certain operative terms to conform state protections against disability discrimination in employment to federal law;
- (2) Requiring HCRC, within one year from the effective date of any federal statutory revision to a relevant definition, to adopt, amend, or repeal rules to reflect any amendments to state statutes that were required to conform to the federal statutory revisions; and
- (3) Changing the effective date to January 1, 2046, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1183, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

**SCRep. 1691 Finance on S.B. No. 301**

The purpose of this bill is to standardize requirements relating to registered agents of business entities by adopting the Model Registered Agents Act.

The Department of Commerce and Consumer Affairs and Commission to Promote Uniform Legislation testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 301, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 301, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1692 Finance on S.B. No. 389**

The purpose of this bill is to ensure an efficient and fiscally responsible process for the allotment of capital improvement project funds.

Specifically, this bill directs the Legislative Reference Bureau (LRB) to review the Memorandum of Understanding (MOU) between the Department of Education (DOE) and the Department of Budget and Finance (B&F) for the allotment of capital improvement projects, with the goal of replicating the processes of the MOU for use by other state agencies.

DOE, B&F, and LRB provided comments on this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 389, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 389, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1693 Finance on S.B. No. 496**

The purpose of this bill is to help ensure the efficient and effective operation and administration of charter schools by, among other things:

- (1) Clarifying that charter schools shall comply with Board of Education (BOE) and Department of Education directives made in their role as the state education agency, pursuant to a memorandum of agreement; and
- (2) Eliminating the per-pupil funding method, thus requiring charter schools to follow the same budgetary request process as other state agencies.

The Department of Budget and Finance and several concerned individuals supported this bill. BOE, the Charter School Administrative Office, Kamehameha Schools, Hookakoo, Hawaii Technology Academy, Hawaii Charter Schools Network, and Halau Lokahi Public Charter School provided comments.

Your Committee has amended this bill by:

- (1) Removing the appropriation for charter school operations; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 496, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1694 Finance on S.B. No. 1223**

The purpose of this bill is to protect consumers from false or misleading advertising and preserve the credibility of the "Made in Hawaii" label by:

- (1) Prohibiting the use of the phrase "Made in Hawaii" as an advertising or media tool for items unless the items meet specified criteria; and
- (2) Directing the Department of Agriculture (DOA) to convene a working group composed of interested stakeholders to:
  - (A) Identify labeling issues relating to the Hawaii-made Products Law; and
  - (B) Propose workable solutions, including solutions for enforcement.

DOA and the Hawaii Food Industry Association supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 3030, to encourage further discussion; and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1223, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1695 Finance on S.B. No. 109**

The purpose of this bill is to help coordinate inter-state cooperative efforts and mutual assistance in juvenile crime prevention by:

- (1) Enacting the new Interstate Compact for Juveniles which remedies problems with the current compact by adding provisions for meaningful enforcement, administration, finances, communications, data collection and exchange, and training; and
- (2) Appropriating funds for Hawaii's share of administrative expenses.

The Office of Youth Services supported this bill. The Judiciary and the Special Counsel for Interstate Compacts for the Council of State Governments provided comments.

Your Committee has amended this bill by:

- (1) Reinserting references to Chapter 582, Hawaii Revised Statutes, the Interstate Compact on Juveniles;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion;
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 109, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1696 Finance on S.B. No. 1060**

The purpose of this bill is to ensure adequate funding for county fire departments' auditing and oversight expenses related to fireworks by increasing the permit fees associated with using and importing fireworks.

The State Fire Council, Honolulu Fire Department, Legislative Information Services of Hawaii, American Lung Association in Hawaii, and several concerned individuals supported this bill. A concerned individual submitted comments.

Your Committee has amended this bill by replacing its contents with provisions that impose a surcharge of 50 percent of the gross receipts of the consumer fireworks sold at the retail level.

As amended, this bill also:

- (1) Requires fireworks retailers to register with the Department of Taxation (DOTAX) and make a one-time payment of \$20 to DOTAX to obtain a certificate of registration;
- (2) Provides that selling fireworks without a certificate of registration is a misdemeanor;
- (3) Provides guidelines for payment of the surcharge to the Director of Finance to be credited to the general fund;
- (4) Directs DOTAX to establish rules to successfully execute the consumer fireworks surcharge process;
- (5) Changes the effective date to December 15, 2009; and
- (6) Makes technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1060, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1697 Finance on S.B. No. 605**

The purpose of this bill is to better regulate noise pollution by:

- (1) Requiring the Department of Health (DOH) to add the dBC decibel weighting system to the current dBA decibel weighting system;
- (2) Allowing the DOH and county liquor commissions to enforce nighttime noise levels measured between 50 and 60 decibels, using the dBC decibel weighting system, in certain areas deemed appropriate;

- (3) Establishing a maximum permissible sound level for bass sound at nighttime of 60 decibels, provided that where the complainant's site is within or in close proximity to an area zoned mixed-use or residential, the maximum permissible sound at nighttime is set at 50 decibels;
- (4) Directing the county liquor commissions, with assistance from the Department of Labor and Industrial Relations and DOH, to develop and submit to the Legislature recommendations for a permanent maximum sound level measured in decibels for licensed liquor establishments.

A member of the Honolulu County Council, Chinatown Gateway Plaza Tenant Association, and a concerned individual supported this bill. DOH and General Contractors Association of Hawaii opposed this measure. The Hawaii Farm Bureau Federation submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 605, S.D. 1, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1698 Finance on S.B. No. 868**

The purpose of this bill is to develop the State's ability to analyze and use information on Hawaii's energy resources, markets, and systems to achieve energy independence and increase energy security by:

- (1) Updating definitions in Chapter 196, Hawaii Revised Statutes, the Energy Resources law;
- (2) Providing policy guidance on the relationship between energy data analyses and the State's energy program, and defining the analytic roles and responsibilities of state agencies with regard to energy data analyses; and
- (3) Providing the statutory basis for a systematic state energy data analytic capacity.

The Department of Business, Economic Development, and Tourism and Blue Planet Foundation supported this bill. Several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 868, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1699 Finance on S.B. No. 1173**

The purpose of this bill is to support efforts to reduce the consumption of energy by:

- (1) Establishing various requirements, guidelines, standards, and incentives for energy-efficiency initiatives and programs; and
- (2) Adding various duties and responsibilities relating to energy-efficiency to the list of duties and responsibilities of the Public Benefits Fee Administrator that may be established by the Public Utilities Commission (PUC).

The Department of Accounting and General Services and Department of Taxation supported this bill. The Department of Business, Economic Development, and Tourism (DBEDT), PUC, Hawaii Association of REALTORS, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Blue Planet Foundation, Gentry Homes, Ltd., and Hawaii Renewable Energy Alliance submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the income tax credit for net-zero energy buildings;
- (2) Establishing the Building Energy Efficiency Revolving Loan Fund within DBEDT to provide low or zero-interest loans or other financial assistance to public, private, and nonprofit borrowers for making energy efficiency improvements in buildings;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1173, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1700 Finance on S.B. No. 1202**

The purpose of this bill is to help reduce Hawaii's dependence on imported fossil fuels by taking the initial steps necessary to develop an electric vehicle infrastructure by, among other things:

- (1) Including the research and development of nonfossil fuel and energy efficient modes of transportation as one of the State's economic growth objectives;
- (2) Requiring the designation of parking spaces for electric vehicles in public, private, and government parking lots;
- (3) Requiring state and county agencies to seek vehicles with reduced dependence on petroleum-based fuels, in accordance with a priority list, when purchasing new vehicles;
- (4) Providing a penalty for parking a non-electric vehicle in a stall reserved for electric vehicles; and
- (5) Establishing the Transportation Energy Transformation Grant Fund.

The Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; Enterprise Honolulu – Oahu Economic Development Board; Better Place Hawaii; and International Brotherhood of Electrical Workers – Local Union No. 1186 supported this bill. The Department of Budget and Finance opposed this measure. The Department of Transportation; Department of Business, Economic Development, and Tourism; Public Utilities Commission; Blue Planet Foundation; and Hawaii Automobile Dealers Association provided comments.

Your Committee has amended this bill by:

- (1) Removing the appropriation amounts;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1202, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1202, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1701 Finance on S.B. No. 1258**

The purpose of this bill is to encourage the development of renewable energy in the state. This measure, among other things:

- (1) Specifies that, beginning on January 1, 2015, electrical energy savings shall not count toward renewable energy portfolio standards and shall not include customer-sited grid-connected photovoltaic systems;
- (2) Revises the requirements of renewable energy portfolio standards for electric utilities by increasing the 2020 standard to 25 percent and establishing a 40 percent standard to be met by 2030;
- (3) Allows the Public Utilities Commission (PUC) to evaluate and revise renewable energy portfolio standards every five years beginning in 2013;
- (4) Amends the definition of "eligible customer-generators" to include customers who lease or purchase electricity from a renewable energy facility;
- (5) Prohibits electric utilities from unreasonably denying, burdening, or delaying an eligible customer-generator's request to participate in net energy metering;
- (6) Allows eligible customer-generators with existing net energy metering contracts the option of maintaining these contracts, rather than converting to any new alternative credits or compensation mechanisms established by the PUC;
- (7) Directs the Energy Resources Coordinator to develop programs and incentive plans for renewable energy resources, and assist in the development and financing of renewable energy transmission and infrastructure projects;
- (8) Amends the definition of a "qualified business" under the State Enterprise Zone program to include an entity engaged in the development or production of fuels or thermal or electrical energy from renewable resources;
- (9) Clarifies the permitting duties of the Renewable Energy Facilitator;
- (10) Revises the definition of "renewable energy facility" in the Renewable Energy Facility Siting Process Law to mean a new facility located in the state with the capacity to produce from renewable energy between five megawatts and 200 megawatts of electricity, or a biofuel production facility with a capacity to produce one million gallons annually; and
- (11) Appropriates funds out of the Renewable Energy Facility Siting Special Fund to be used for the purposes of the Special Fund.

The Department of Business, Economic Development, and Tourism, Department of Taxation, PUC, SunPower Systems Corporation, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Blue Planet Foundation, Dowling Company, Inc., and Hawaii Renewable Energy Alliance submitted comments.

Your Committee has amended this measure by:



- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1258, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1702 Finance on S.B. No. 1260**

The purpose of this bill is to protect Hawaii's environment by eliminating a loophole that exempts covered source permit holders from paying fees to the Department of Health (DOH) for emissions of a regulated air pollutant in excess of 4,000 tons per year.

DOH opposed this bill. The Blue Planet Foundation and the Sierra Club, Hawaii Chapter provided comments on this measure.

Your Committee finds that although the elimination of the exemption for the payment of fees by a covered source permit holder for emissions of a regulated air pollutant in excess of 4,000 tons per year will result in increased costs for the permit holder, it is not the intent of your Committee that the ratepayer or consumer bear the expense of this increased fee.

Your Committee has amended this bill by changing its effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1260, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1703 Finance on S.B. No. 1118**

The purpose of this bill is to increase the availability of low-income housing by:

- (1) Establishing a low-income housing tax credit loan program administered by the Hawaii Housing Finance and Development Corporation (HHFDC) whereby owners of qualified low-income buildings, including those eligible for subawards under the American Recovery and Reinvestment Act of 2009, may receive no interest loans in lieu of the state low-income housing tax credit; and
- (2) Authorizing the issuance of general obligation bonds to fund the loans.

The Department of Taxation, HHFDC, Office of Hawaiian Affairs, Hawaii Association of REALTORS®, and Land Use Research Foundation of Hawaii supported this bill. The Tax Foundation of Hawaii and Stanford Carr Development, LLC, offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the low-income housing tax credit loan shall be in an amount equal to 70 percent of the cash value of the amount of the low-income housing credit;
- (2) Clarifying that the cash value of the amount of the low-income housing credit upon which the loan is based is the value that would have otherwise been claimable with respect to the low-income building;
- (3) Specifying that any required repayment of the loan resulting from recapture may be enforced by a means of liens or such other methods as HHFDC deems appropriate;
- (4) Defining the term "qualified low-income building";
- (5) Specifying that if a qualified low-income building has been awarded a subaward under Section 1602 of the American Recovery and Reinvestment Act of 2009, the amount of the low-income housing tax credit shall be equal to 50 percent of the amount of the federal low-income housing tax credits that would have been allocated to the qualified low-income building pursuant to Section 42(b) of the Internal Revenue Code by HHFDC had a subaward not been awarded with respect to the qualified low-income building;
- (6) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1118, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1704 Finance on S.B. No. 1160**

The purpose of this bill is to make the administration of housing projects by the Hawaii Public Housing Authority (HPHA) more efficient by:

- (1) Requiring HPHA to assess all the units in a state public housing project a fee for the common area expenses of the housing project;
- (2) Eliminating most procedural requirements preliminary to hearings for evictions of tenants of public housing projects;

- (3) Requiring written notice to delinquent tenants in accordance with federal law; and
- (4) Providing that hearings officers appointed by HPHA will conduct eviction hearings.

Several concerned individuals supported this bill. The Legal Aid Society of Hawaii opposed this bill. HPHA offered comments.

Your Committee has amended this bill by:

- (1) Adding a Part II requiring legislative approval prior to the sale or lease of any public housing project by HPHA;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1160, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1705 Finance on S.B. No. 19**

The purpose of this bill is to encourage the development of a well-trained workforce by providing a preference for bidders on a public works contract, with an estimated value of \$250,000 or more, entered into under Hawaii's Procurement Law if the bidder has a written agreement with an apprenticeship program registered with the Department of Labor and Industrial Relations (DLIR).

The Laborers' Union and Hawaii Building & Construction Trades Council, AFL-CIO, supported this bill. DLIR, Department of Accounting and General Services, General Contractors Association, and Building Industry Association of Hawaii opposed this bill. The Hawaii Carpenters Union submitted comments.

Your Committee has amended this measure by:

- (1) In lieu of the provision requiring the bidder to have a written agreement with an apprenticeship program registered with DLIR, clarifying that for a bidder to receive the preference, the bidder must be a party to an apprenticeship agreement registered with DLIR for each apprenticeable trade the bidder will employ to construct the public works; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 19, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 19, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1706 Finance on S.B. No. 876**

The purpose of this bill is to clarify certain provisions relating to the Employees' Retirement System (ERS) by, among other things, specifying that:

- (1) Ordinary disability retirement is effective on the first day of a month or December 31<sup>st</sup> but no earlier than 30 days from the date the application was filed or when the member terminated service;
- (2) A challenge to an application for disability retirement or accidental death benefits is considered a petition for a contested case hearing and not an appeal;
- (3) Approved attorney's fees and costs shall be paid to a member or applicant instead of being paid on a reimbursable basis;
- (4) The cap on the maximum retirement allowance imposed on certain members also apply to the retirant's benefits when they are reemployed;
- (5) ERS shall not collect retirement contributions from re-employed retirants who reach the maximum average final compensation ceiling;
- (6) If a noncontributory member terminates service with less than ten years of service and becomes a member again by December 31<sup>st</sup> of the year following the calendar year of termination, all service credits will be restored;
- (7) December 31, 2008, is the valuation date to determine the actuarial cost to convert a member's service to the Hybrid Plan; and
- (8) The deadline for a member absent from the state due to military service during the Hybrid conversion period may be extended to pay for the conversion.

ERS offered comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 876, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1707 Finance on S.B. No. 1122**

The purpose of this bill as received by your Committee is to amend various sections of the Hawaii Revised Statutes to comply with Act 253, Session Laws of Hawaii 2000, which places restrictions on the creation of civil service exempt positions. This bill also automatically converts certain civil service exempt positions to civil service positions in an unspecified number of years.

Your Committee conducted a public hearing on a proposed draft of this bill. The purpose of this proposed draft is to protect state employees by ensuring that employee benefits, including health, leave, and retirement benefits, are not adversely affected in the event of a furlough.

The Department of Human Resources Development, Department of Health, and a concerned individual supported the proposed draft. The Hawaii Government Employees Association opposed the proposed draft. The Judiciary, County of Hawaii Department of Human Resources, Hawaii State Teachers Association, and Employees' Retirement System provided comments on the proposed draft.

Your Committee has amended this bill by replacing its contents with the contents of the proposed draft, and amending the proposed draft by:

- (1) Removing the purpose language;
- (2) Clarifying that the provided protections apply to both state and county employees;
- (3) Specifying that any furlough during fiscal years 2008-2009 through 2012-2013 will not cause a decrease in the employer's contribution to the Voluntary Employees Beneficiary Association Trust;
- (4) Stating that an employee's retirement allowances and other benefits under Chapter 88, Hawaii Revised Statutes, will be based on the employee's actual compensation; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Concerns were raised about the possible impact of the proposed draft on the collective bargaining process, and it is your Committee's intent that the Legislature remain neutral with respect to on-going negotiations.

Your Committee respectfully recommends the approval of this amended measure to encourage further discussion given the difficulties of the current fiscal situation. Your Committee emphasizes, however, that this amended measure should not be construed as supportive of furloughs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1122, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1708 Finance on S.B. No. 169**

The purpose of this bill is to ensure access to health care in the state's rural, medically underserved areas by establishing:

- (1) The Hawaii Health Corps Program; and
- (2) A loan repayment program and an incentive plan for the recruitment of health care professionals to serve in shortage areas.

The State Council on Developmental Disabilities, Hawaii Primary Care Association, Hawaii Medical Association, Hawaii Society of Naturopathic Physicians, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Medical Service Association, and a concerned individual supported this bill. The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, and AARP offered comments.

Your Committee has amended this bill by:

- (1) Removing all provisions related to the loan repayment program;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 169, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 169, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1709 Finance on S.B. No. 1142**

The purpose of this bill is to improve patient access to medical care by:

- (1) Clarifying the procedures and circumstances under which licensed physician assistants may provide services; and
- (2) Limiting the liability of physician assistants rendering emergency care services pursuant to the Good Samaritan laws.

The Hawaii Primary Care Association, Hawaii Academy of Physician Assistants, American Academy of Physician Assistants, and numerous concerned individuals supported this bill. The Department of Human Services, Disability and Communication Access Board, Hawaii Medical Board, and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1142, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.

**SCRep. 1710 Finance on S.B. No. 1673**

The purpose of this bill is to ensure the strength of the state's health care safety net by addressing critical economic shortfalls currently faced by the Hawaii Health Systems Corporation (HHSC). Specifically, this bill provides for:

- (1) The temporary transfer of the community hospital system from HHSC to the Department of Health (DOH);
- (2) The abolishment of HHSC; and
- (3) The establishment of a transition committee to study and recommend a permanent structure for the community hospital system.

The ILWU Local 142 supported this bill. DOH; HHSC's Corporation Board; HHSC's Oahu, Maui, Kauai, East Hawaii, and West Hawaii Regional System Boards; Maui Memorial Medical Center; Maui Memorial Medical Center Foundation; Maui Medical Group; Valley Isle Kidney Disease LLC; Kona-Kohala Chamber of Commerce; Ka'u Hospital; and several concerned individuals opposed this bill. The Department of Budget and Finance, Department of Human Resources Development, HHSC's Finance Information Systems and Audit Committee, Hawaii Government Employees Association, United Public Workers Local 646 AFL-CIO, and Community Healthcare Action Task Force of the Big Island submitted comments.

Despite receiving a great deal of testimony in opposition to this bill, your Committee agrees with your Committee on Health that the community hospital system requires drastic and immediate corrective action. Thus, your Committee retains the basic concepts of this bill, including that of:

- (1) Temporarily transferring the community hospital system to DOH;
- (2) Abolishing HHSC and its individual regional systems; and
- (3) Establishing a special committee to recommend a permanent structure to manage, operate, and maintain the community hospital system.

To address some of the concerns of testifiers and others, your Committee has amended this bill by, among other things:

- (1) Extending by one year:
  - (A) The effective date of the temporary transfer of the community hospital system to DOH from July 1, 2009, to July 1, 2010; and
  - (B) The sunset date of the temporary transfer to DOH from June 30, 2011, to June 30, 2012.
- (2) Transferring to DOH on July 1, 2010, all certificates, licenses, permits, and other approvals required by state law for the community hospitals that are held on June 30, 2010, by HHSC or any of its regional systems or facilities;
- (3) Requiring, after June 30, 2009, the Director of Health to apply for the transfer, issuance, or renewal of all certificates, licenses, permits, and other approvals required by federal law for the operation of the community hospitals by DOH and eligibility of the community hospitals for Medicare and Medicaid funds;
- (4) Expanding the community hospitals transition committee to include two residents of the island of Maui and two residents of the island of Kauai, one from each island to be appointed by the Senate President and one from each island to be appointed by the Speaker of the House of Representatives; and
- (5) Stating the Legislature's intention:
  - (A) To review the findings and recommendations of the transition committee, due on January 1, 2011, and to enact legislation during the 2011 Regular Session for a permanent structure to the community hospital system; and
  - (B) That the period from the enactment of this specific legislation in 2011, until June 30, 2012, when DOH's responsibility sunsets, serve as an orderly transition period.

Your Committee has provided no contingency provision within this bill should a federally-required certificate, license, permit, or approval not be issued, transferred, or renewed. Your Committee intends that, if DOH experiences or anticipates the failure of the transfer, issuance, or renewal of such a certificate, license, or permit, that DOH should submit proposed legislation during the 2010 Regular Session to address the situation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1673, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1673, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.  
(Representative Ward voted no.)

**SCRep. 1711 Finance on S.B. No. 1058**

The purpose of this bill is to determine the effectiveness of current laws and procedures with respect to controlled substances by:

- (1) Directing the Attorney General (AG) to coordinate a review of the impact of diverting marijuana and low-level felony drug offenders out of the criminal justice system and into treatment;
- (2) Establishing a task force to examine issues relating to medical marijuana; and
- (3) Establishing a task force to examine the effects of *Salvia divinorum*.

The American Civil Liberties Union, Drug Policy Forum of Hawaii, Community Alliance on Prisons, and a concerned individual supported this bill. The County of Honolulu Prosecuting Attorney's Office and Honolulu Police Department opposed this measure. The AG, Department of Public Safety, Drug Policy Action Group, Americans for Safe Access – Honolulu Chapter, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions requiring the AG to coordinate a review of the impact of diversion of minor drug possession offenders on the criminal justice system;
- (2) Changing the name of the "Medical Marijuana Task Force" to the "Medical Cannabis Task Force";
- (3) Expanding the Medical Cannabis Task force to include:
  - (A) A Hawaii-licensed physician specializing in pain control and who has issued a medical marijuana recommendation;
  - (B) The president of West Oahu Hope for a Cure Foundation, or the president's designee; and
  - (C) The director of Americans for Safe Access – Honolulu Chapter, or the director's designee;
- (4) Specifying that the members of the Medical Cannabis and *Salvia divinorum* Task Forces will receive no compensation, but will be reimbursed for expenses incurred in the performance of their official duties;
- (5) Clarifying the administration of the Medical Cannabis and *Salvia divinorum* Task Forces; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1058, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1712 Finance on S.B. No. 1611**

The purpose of this bill is to improve and modernize Hawaii's land transportation system by:

- (1) Increasing the state liquid fuel tax for all islands with a total resident population of 20,000 or more;
- (2) Increasing the state vehicle registration fee on vehicles registered on all islands with a total resident population of 20,000 or more;
- (3) Increasing the vehicle weight tax and flat rate fees on vehicles registered on all islands with a total resident population of 20,000 or more;
- (4) Permanently increasing the rental motor vehicle surcharge tax from \$2-a-day to \$3-a-day;
- (5) Authorizing the Department of Transportation (DOT) to expend funds for various projects and programs dealing with land transportation improvement projects and programs;
- (6) Requiring DOT to develop one or more pilot programs to test alternatives to the current state and county motor vehicle fuel tax systems;
- (7) Allowing DOTAX to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT;
- (8) Allowing DOT to terminate any pilot program established at any time and requiring DOT to notify DOTAX if a pilot program is terminated;
- (9) Appropriating funds from highway revenue bonds and federal funds for the Vehicle Miles Traveled Pilot Program; and
- (10) Requiring DOT to submit various reports to the Legislature on the status of the Land Transportation Modernization Program as well as a Vehicle Miles Traveled Pilot Program.

The Pacific Resource Partnership, Contractors Association of Kauai, Catrala-Hawaii, The Hertz Corporation, National Car Rental, Enterprise Rent A Car, Land Use Research Foundation of Hawaii, and The Chamber of Commerce of Hawaii supported this bill. DOT, the Department of Taxation, Honolulu Department of Customer Services, Hawaii Transportation Association, and Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by:

- (1) Deleting references to and allocation of funds for DOT to contract with a master consultant to assist with the implementation of the highway modernization program;

- (2) Blanking out the amount of funds that DOT is authorized to expend on each project and program;
- (3) Changing the effective date to October 1, 2009; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1611, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1611, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.  
(Representative Ward voted no.)

**SCRep. 1713 Finance on S.B. No. 50**

The purpose of this bill is to:

- (1) Authorize the Board of Land and Natural Resources, after at least one public hearing, to lease public lands to renewable energy producers who provide certain indicators of the project's viability; and
- (2) Grant the renewable energy producer a right of first refusal upon the renewal of its lease.

The Department of Agriculture, Hu Honua Bioenergy, LLC, SunFuels Hawaii, LLC, Hawaii Cattlemen's Council, Inc., and several concerned individuals supported this bill. A concerned individual opposed this bill. The Department of Land and Natural Resources, the Department of Business, Economic Development, and Tourism, First Wind Energy, LLC, the Sierra Club, Hawaii Chapter, and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 50, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 50, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1714 Finance on S.B. No. 636**

The purpose of this bill is to provide funding and the policy tools to enable the Department of Land and Natural Resources (DLNR) to implement the Recreational Renaissance Plan by upgrading and maintaining state parks, trails, and ocean recreational facilities at world-class levels, and protecting state natural resources.

The Department of Budget and Finance, Trust for Public Land, Friends of Iolani Palace, Nature Conservancy of Hawaii, Kauai Chamber of Commerce, American Council of Engineering Companies of Hawaii, Hawaiian Trail and Mountain Club, Historic Hawaii Foundation, Pahio Resorts, American Public Works Association Hawaii Chapter, Limtiaco Consulting Group, Inc., Society for Hawaiian Archaeology, Diamond Head State Monument Foundation, Hawaii 4x4 Association, Hawaii Building and Construction Trades Council, AFL-CIO, Kauai Sea Tours, and numerous concerned individuals supported this bill. Hawaii's Thousand Friends, Dr. Leisure's Friends of Makena State Park, Waikiki Neighborhood Board, and numerous concerned individuals opposed this bill. DLNR, Ocean Tourism Coalition, and Hawaii Teamsters Local 996 submitted comments.

Your Committee has amended this measure by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 636, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 636, S.D. 1, H.D. 2.

Signed by all members of the Committee.  
(Representative Brower voted no.)

**SCRep. 1715 Finance on S.B. No. 44**

The purpose of this bill is to better understand the financial situation concerning the Hawaii Health Systems Corporation (HHSC). More specifically, this bill:

- (1) Authorizes the Department of Health (DOH) to assume the liabilities and debts or other obligations of HHSC accrued prior June 30, 1996, by the community hospitals while the community hospitals were operating within DOH's Division of Community Hospitals;
- (2) Requires HHSC with the assistance of DOH to determine the amount of liability established prior to July 1, 1996, that still exists; and
- (3) Requires the Auditor to contract with an independent auditing entity to perform annual management and performance audits of HHSC that will include a full evaluation of all HHSC assets, liabilities, and contracts that deal with the management, running, and provision of services by HHSC.

The Department of Budget and Finance; HHSC's Corporation Board, East Hawaii Regional Board, and Kauai Regional Board; and United Public Workers Local 646 AFL-CIO opposed this bill.

Your Committee has amended this bill by replacing the provisions concerning the transfer of debt and other obligations of HHSC to DOH, with contents similar to provisions in H.B. No. 694 authorizing HHSC and the Maui Regional System Board to remove the Maui Regional Health Care System (System) and its facilities from HHSC by transferring regional assets to a legal entity that will finance and continue to provide health care services to Maui provided that the transfer:

- (1) Is to a legally constituted entity that is financially capable, independent of HHSC, of continuing to provide the same level of health care services currently provided by the System;
- (2) Relieves HHSC of all debts, obligations, and liabilities of the System;
- (3) Is approved by the legally constituted entity, HHSC corporation board, Maui Regional System Board, and the Governor; and
- (4) Cannot take effect prior to July 1, 2012.

Your Committee has retained as Part II, the provisions requiring the annual audit of HHSC. Your Committee finds that such an audit, conducted under the auspices of the Auditor, is necessary to improve the management and operation of the State's community hospitals. Your Committee emphasizes that part II is to take effect upon approval, with the first audit of the management and operation of HHSC to be conducted during fiscal year 2008-2009.

Your Committee has further amended this bill by:

- (1) Changing the effective date for Part I of the bill to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 44, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1716 Finance on S.B. No. 995**

The purpose of this bill is to resolve the claims relating to the portion of income and proceeds from the public trust lands owing to the Office of Hawaiian Affairs (OHA) between November 7, 1978, and July 1, 2008.

Specifically, this bill calls for a two-step transfer of lands valued at \$200,000,000 to OHA in satisfaction of the claims. For the first step, this bill transfers to OHA certain parcels in Kakaako Makai valued at \$92,719,415, subject to OHA's right to reject any or all parcels after performing due diligence. The second step envisions conveyance in 2010 of parcels to OHA valued at \$107,280,585.

Several concerned individuals opposed this bill. The Office of Hawaiian Affairs, Department of the Attorney General, Association of Hawaiian Civic Clubs, Executive Committee of the Sierra Club, Oahu Group, and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Prohibiting the conveyance of parcels at Pier 1 and Pier 2;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee notes that the parcels proposed to be conveyed to OHA in this bill will remain subject to existing encumbrances and easements after the conveyance, as specifically set forth in Section 5 of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 995, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Sagum and Pine.

**SCRep. 1717 Finance on S.B. No. 721**

The purpose of this bill is to change, from mandatory to discretionary, the authority of the Hawaii Community Development Authority (HCDA) to assess the cost of providing public facilities against the real property in the community development district specially benefiting from the public facility.

A concerned individual supported this bill. HCDA provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 721, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 721, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1718 Finance on S.B. No. 1069**

The purpose of this bill is to require the Hawaii Community Development Authority (HCDA) to collaborate with and consider the recommendations of the Kakaako Makai Community Planning Advisory Council (Council) in developing, accepting, and implementing any plans for the development of the Kakaako makai area within the Kakaako Community Development District (District).

This bill also specifies that any transfer of property in the Kakaako makai area of the District to a state or county agency shall be upon the condition that the agency shall be required to collaborate with the Council and consider the recommendations of the Council in the development, acceptance, and implementation of any plan for the transferred property.

The Hawaii State Bodsurfing Association and several concerned individuals supported this bill. HCDA and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1069, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1719 Finance on S.B. No. 602**

The purpose of this bill is to authorize the use of the State's Works of Art Special Fund (Special Fund) to support a broader range and more widespread display of art work by:

- (1) Defining "works of art" to include, in addition to "arts" as defined in the Foundation on Culture and the Arts law, performing arts and any process by which arts and life performances can be made into a permanent display; and
- (2) Allowing the Special Fund to be used for costs related to:
  - (A) The acquisition of works of art for all state buildings, Iolani Palace, and the Bernice Pauahi Bishop Museum;
  - (B) Activities related to the exhibition, upkeep, and restoration of works of art for the Bernice Pauahi Bishop Museum and Iolani Palace; and
  - (C) The creation of an electronic, digital, or other permanent record of works of art.

The Bishop Museum supported this bill. The American Institute of Architects Hawaii State Council opposed this measure. The Department of Budget and Finance, Historic Hawaii Foundation, Iolani Palace, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 602, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1720 Finance on S.B. No. 1096**

The purpose of this bill is to continue to support and expand outstanding and new science, technology, engineering, and mathematics-related (STEM) programs in Hawaii's public schools and public charter schools by appropriating funds for STEM programs, as well as K-12 creative media education programs.

The Hawaii Educational Networking Consortium, Hawaii Association of Independent Schools, and Hawaii Crop Improvement Association supported this bill. The Department of Business, Economic Development, and Tourism and the University of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1096, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1721 Finance on S.B. No. 1665**



The purpose of this bill is to enhance the training capacity of the State's community colleges to meet the rapidly evolving needs of employers and employees by establishing a Skilled Worker and Business Development Center (Center) within the University of Hawaii (UH) community college system. This measure also appropriates funds for the Center's establishment and implementation.

The Department of Education and a concerned individual supported this bill. The Department of Labor and Industrial Relations opposed this measure. UH provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1665, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1665, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1722 Finance on S.B. No. 266**

The purpose of this bill is to protect Hawaii's fragile environment by establishing a Climate Change Task Force (Task Force) within the Office of Planning, for administrative purposes only, to:

- (1) Assess the current and potential impacts of global warming and climate change trends and the impacts of rising ocean levels on the State's residents, natural resources, and economy, including impacts on the visitor industry, air and sea transport, buildings and public utilities infrastructure, human health, and native plants, animals, and ecosystems;
- (2) Make the same assessments of current and potential impact with regard to rising sea levels and estimate costs to the State; and
- (3) Recommend measures to address or mitigate the effects of climate change, including preventing shoreline erosion, preserving the visitor industry, relocating transportation infrastructure, restricting construction in affected areas, improving public utilities infrastructure, preparing for health emergencies, and maintaining the health of native species and ecosystems.

The Nature Conservancy of Hawaii testified in support of this bill. The Windward Ahupua'a Alliance provided comments.

Your Committee has amended this bill by changing:

- (1) To an unspecified amount, the appropriation for the Task Force; and
- (2) The effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 266, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 266, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1723 Finance on S.B. No. 464**

The purpose of this bill is to promote the use of, and investment in, renewable energy resources by amending the renewable energy technologies income tax credit to encourage the use of solar and wind energy systems, and permitting a portion of the excess of the credit over payments due to be refunded to the taxpayer in certain circumstances.

The Department of Taxation, Hawaii Solar Energy Association, and SunPower Systems Corporation testified in support of this bill. The Tax Foundation of Hawaii, Building Industry Association of Hawaii, Land Use Research Foundation of Hawaii, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company provided comments on this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 464, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1724 Finance on S.B. No. 713**

The purpose of this bill is to support the Emergency Environmental Workforce Program (Program) by:

- (1) Updating the purpose and employment provisions of the Program; and
- (2) Appropriating general funds for fiscal years 2009-2010 and 2010-2011 to continue the Program.

The Department of Labor and Industrial Relations opposed this measure. The Research Corporation of the University of Hawaii and the Nature Conservancy of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) In lieu of the general fund appropriation, providing an appropriation for fiscal year 2009-2010 out of federal funds received by the State from the American Recovery and Reinvestment Act of 2009 and any other applicable federal Acts;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 713, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1725 Finance on S.B. No. 1338**

The purpose of this bill is to increase energy conservation by providing that the relevant governing documents for single-family residential dwellings and townhouses may not prohibit the use of clotheslines on those properties.

The Sierra Club, Hawaii Chapter supported this bill. The Mililani Town Association, The Gas Company, and Blue Planet Foundation provided comments on this bill.

Your Committee notes that this measure, as drafted, is not intended to apply to horizontal property regime condominiums.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1338, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1338, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1726 Finance on S.B. No. 62**

The purpose of this bill is to require independent workers' compensation medical examinations and permanent impairment rating examinations to be performed by physicians mutually agreed upon by the employer and employee, or appointed by the Director of Labor and Industrial Relations.

United Public Workers AFSCME Local 646 AFL-CIO, Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, Hawaii Injured Workers Alliance, Hawaii Chapter – American Physical Therapy Association, International Association of Rehabilitation Professionals, Hawaii Coalition of Health, Vocational Management Consultants, Inc., and numerous concerned individuals supported this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Property Casualty Insurers Association of America, Retail Merchants of Hawaii, Chamber of Commerce of Hawaii, American Insurance Association, Hawaii Insurers Council, Hawaiian Electric Co., Inc., Maui Electric Company, LTD., Hawaii Electric Light Company, Building Industry Association of Hawaii, Hawaii Dredging Construction Company, Ralph S. Inouye Co., Ltd., General Contractors Association of Hawaii, and numerous concerned individuals opposed this bill.

Your Committee has amended this measure by:

- (1) Excluding the following activities from the definition of "employment" under the Workers' Compensation Law:
  - (A) Service performed by a member of a limited liability company if the member is an individual and has at least 50 percent distributional interest in the company;
  - (B) Service performed by a partner of a partnership if the partner is an individual;
  - (C) Service performed by a partner of a limited liability partnership if the partner is an individual and has at least 50 percent transferable interest in the partnership; and
  - (D) Service performed by a sole proprietor;

and
- (2) Making technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 62, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 62, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1727 Finance on S.B. No. 695**

The purpose of this bill is to protect the health and welfare of injured workers by ensuring that injured employees receive uninterrupted medical care, even when disputes arise over whether treatment should be continued.

The ILWU Local 142 and the Iron Workers Stabilization Fund supported this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii Insurers Council, Retail Merchants of Hawaii, Hawaiian Electric Co. Inc., Maui Electric Company LTD., Hawaii Electric Light Company Inc., Building Industry Association of Hawaii, Hawaii Independent Insurance Agents Association, National Federation of Independent Businesses in Hawaii, and Society for Human Resources Management Hawaii opposed this measure. The Chamber of Commerce of Hawaii and Hawaii Chapter of the American Physical Therapy Association and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 695, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1728 Finance on S.B. No. 536**

The purpose of this bill is to preserve the quality of Hawaii's night sky by reducing light pollution. Specifically, this bill requires the Department of Business, Economic Development, and Tourism (DBEDT), with assistance from a temporary advisory committee, to develop a statewide starlight reserve strategy and intelligent lighting and light pollution law.

The University of Hawaii at Manoa, Office of Hawaiian Affairs, Sierra Club – Hawaii Chapter, Windward Ahupua'a Alliance, and several concerned individuals testified in support of this bill. DBEDT's Office of Aerospace Development provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Pine.

**SCRep. 1729 Finance on S.B. No. 1268**

The purpose of this bill is to encourage the development of affordable housing by the Department of Hawaiian Home Lands (DHHL) by:

- (1) Authorizing the counties to issue affordable housing credits to DHHL, and to deny or approve a request for the transfer or assignment of those credits by DHHL; and
- (2) Providing that the credits are to be issued on a one-for-one basis and limiting the application of the credits to the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county.

The Hawaiian Homes Commission, DHHL, Office of Hawaiian Affairs, Land Use Research Foundation of Hawaii, Council for Native Hawaiian Advancement, Hawaii Developers' Council, Building Industry Association of Hawaii, Maluohai Residents' Association, The Chamber of Commerce of Hawaii, Sovereign Councils of the Hawaiian Homelands Assembly, and Dowling Company, Inc., supported this bill. The Mayor of the County of Hawaii, Department of Planning and Permitting of the City and County of Honolulu, and Gentry Homes, Ltd., submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Pine.

**SCRep. 1730 Finance on S.B. No. 1248**

The purpose of this bill is to improve the State Enterprise Zone (EZ) Program by, among other things:

- (1) Inserting limited liability companies under the definition of "qualified business" and "service business";
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements; and
- (3) Extending EZ Program tax incentives for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and Hawaii Crop Improvement Association opposed this bill. The Department of Agriculture, Tax Foundation of Hawaii, Hawaiian Electric Company and its subsidiaries Maui Electric Company and Hawaii Electric Light Company, and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1731 Finance on S.B. No. 1299**

The purpose of this bill is to provide tax incentives for commercial aviation training by adding businesses engaged in advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers to the definition of "qualified business" under the State Enterprise Zones Law.

The University of Hawaii, Global Aeronautics LLC, Enterprise Honolulu, Boeing Company, and two concerned individuals supported this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1732 Finance on S.B. No. 1137**

The purpose of this bill is to ensure the health and safety of the vulnerable population who are served by the Hawaii Health Systems Corporation (HHSC) by requiring HHSC to conduct criminal history record checks (record check) on persons who are employed or seeking employment, or are current or prospective contractors, providers, or volunteers in any of HHSC's health facilities.

HHSC and its Kauai Regional Health System and a concerned individual supported this bill. The Hawaii Civil Rights Commission and United Public Workers Local 646 AFL-CIO opposed this measure.

Your Committee has amended this bill by, among other things:

- (1) Authorizing HHSC to request a record check of persons who are employed or seeking employment, or are current or prospective contractors, providers, or volunteers in any of HHSC's health facilities;
- (2) Clarifying that the record check will be done by the Criminal Justice Data Center;
- (3) Allowing HHSC to collect personal identifying information for a record check from persons who are employed or seeking employment, or are current or prospective contractors, providers, or volunteers in any of HHSC's health facilities;
- (4) Deleting HHSC's authorization to require a sworn statement regarding past convictions from persons who are employed or seeking employment, or are current or prospective contractors, providers, or volunteers in any of HHSC's health facilities;
- (5) Limiting the inquiry and consideration of the record check to the scope permissible by section 378-2.5, Hawaii Revised Statutes (HRS), that includes hiring, termination, and employment terms, and requiring a conditional offer of employment prior to performing a record check;
- (6) Deleting the authorization of HHSC to terminate or not hire an employee or employment applicant of HHSC who has been convicted of a criminal offense for which incarceration is a sentencing option;
- (7) Reinstating the applicability of the requirement of section 831-3.1, HRS, to HHSC, relating to the requirements and procedures to disqualify a person from government employment;
- (8) Including students participating in a program at any HHSC health facility within the definition of "provider"; and
- (9) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1137, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1733 Finance on S.B. No. 1664**

The purpose of this bill is to help individuals survive difficult economic times by:

- (1) Clarifying and temporarily codifying the implementation of the partial unemployment system established in the Administrative Rules; and
- (2) Extending the duration of employees' eligibility for unemployment benefits under partial unemployment from four weeks to eight weeks.

The Hawaii Government Employees Association supported this bill. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1664, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1664, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1734 Finance on S.B. No. 1621**

The purpose of this bill is to protect an employee's right to organize and allow both public and private sector employees easier access to union representation by, among other things:

- (1) Setting the procedures for establishing an initial agreement for collective bargaining following certification or recognition of a labor organization as a representative;
- (2) Allowing a labor organization that provides representational services related to collective bargaining to bring a civil action in circuit court for nonpayment of union dues by members and agency fees by persons covered by a collective bargaining agreement;
- (3) Providing a right for persons to take part in union organizing activities such as holding placards and passing out literature on the pathways, sidewalks, and areas adjacent to the entry ways or exits used by customers or employees, including on private property, but not within the premises of an establishment;
- (4) Allowing for the use of signed valid authorizations designating an individual or labor organization designated in the petition for representation, so that no election is to be directed by the Hawaii Labor Relations Board;
- (5) Making it a violation for an employer to wilfully or repeatedly commit unfair or prohibited practices interfering with an employee's statutory rights or discriminating against an employee for exercising protected conduct; and
- (6) Clarifying that the immunity from civil liability provided to unions for participating in a labor dispute is limited to lawful participation.

The Hawaii Government Employees Association; the Laborers' International Union of North America Local 368; the Hawaii Teamsters and Allied Workers, Local 996; the International Brotherhood of Electrical Workers, Local 1186; the Hawaii Building and Construction Trades Council, AFL-CIO; the Hawaii State AFL-CIO; the Screen Actors Guild Hawaii Branch; the ILWU Local 142; Pride At Work Hawaii; Hawaii Alliance for Retired Americans; the International Brotherhood of Electrical Workers; and the Hawaii Carpenters' Union testified in support of this bill.

The Department of Labor and Industrial Relations; the Department of Agriculture; the Small Business Regulatory Review Board; The Chamber of Commerce of Hawaii; the Kona-Kohala Chamber of Commerce; the Hawaii Hotel & Lodging Association; the Hawaii Crop Improvement Association; the National Federation of Independent Business; the Society for Human Resource Management; the Hawaii Business Roundtable; the Hawaii Automobile Dealers Association; the Building Industry Association of Hawaii; the Hawaii Credit Union League; Outrigger Hotels; the Maui Chamber of Commerce; KTA Super Stores; General Contractors Association of Hawaii; Hawaii Island Contractors' Association; CP Kona Realty; Kauai Chamber of Commerce; Universal Construction, Inc.; Hawaii Farm Bureau Federation; Kona Transportation Company; Down to Earth ALL VEGETARIAN Organic and Natural; Hawaiian Dredging Construction Company; Aloha Tofu Factory, Inc.; Fernandez Events; Sugarland Farms; Barnett Consulting Group; James Tucker Associates, Inc.; Global Odor Control Technologies of Hawaii, Inc.; Wilson Homecare; City Mill Company Ltd.; Hawaii Restaurant Association; Akimeka, LLC; Monsanto in Hawaii; Ocean Network; Cafe Laufer; Pacific LightNet; Integration Technologies, Inc.; Administrative Solutions, Inc.; Meadow Gold Dairies, Hawaii; and numerous concerned individuals testified in opposition to this measure.

The Department of the Attorney General and the Ilima Hotel provided comments.

After further consideration, your Committee has amended this measure by deleting its contents and replacing it with language contained in H.B. No. 952, H.D. 1. As amended, this measure:

- (1) Streamlines the process to certify union representation by requiring the Hawaii Labor Relations Board (Board) to certify an exclusive representative if a majority of the employees in a unit not currently represented has signed valid authorizations designating a bargaining representative, instead of doing so through an election process;
- (2) Authorizes the Board to make rules governing the certification of an exclusive representative and final determinations regarding the eligibility of employees and the validity of an employee's signature on an authorization card;
- (3) Establishes a process that facilitates the initial collective bargaining agreement process between an employer and a newly certified employee representative; and
- (4) Requires the Board to refer disputes to an arbitration panel if a conciliator is not able to bring parties to an agreement by conciliation within a specified time period.

Your Committee has further amended this bill by changing its effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1621, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1621, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Awana and Keith-Agaran.  
(Representatives Tokioka and Ward voted no.)

**SCRep. 1735 Finance on S.B. No. 242**

The purpose of this bill is to support efforts to produce air conditioning from seawater air conditioning district cooling systems by allowing these businesses to qualify for tax and other regulatory benefits under the Enterprise Zone Program.

The Hawaii Building and Construction Trades Council, AFL-CIO supported this measure. The Department of Business, Economic Development, and Tourism and Department of Taxation opposed this bill. Honolulu Seawater Air Conditioning, LLC, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Specifying that gross proceeds received by a contractor relating to the construction of a seawater air conditioning district cooling system shall not be exempt from the general excise tax; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 242, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran, Nishimoto and Wooley.

**SCRep. 1736 Finance on S.B. No. 1008**

The purpose of this bill is to statutorily establish temporary water quality standards for bacteria in inland and marine waters to conform to levels recommended by the State and the United States Environmental Protection Agency. These standards will be repealed when the Department of Health (DOH) adopts its standards for pollutants and indicator organisms.

The American Public Works Association, Hawaii Chapter, supported this measure. Sierra Club, Hawaii Chapter, opposed this bill. DOH, City and County of Honolulu Department of Environmental Services, and Hawaii's Thousand Friends offered comments.

Your Committee has amended this bill by:

- (1) Clarifying the repeal procedures for the temporary standards in this bill upon the adoption of new rules and standards; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1008, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1008, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Sagum and Pine.

**SCRep. 1737 Finance on S.B. No. 1352**

The purpose of this bill is to reduce the backlog in land court recording and registration by:

- (1) Transferring fee simple time share interest registration from the Land Court System to the Regular System, and authorizing the Registrar of the Bureau of Conveyances (Bureau) to accept, in the Regular System, electronic instruments in lieu of original instruments with original signatures;
- (2) Authorizing the Department of Land and Natural Resources to establish a \$5 transaction fee for services rendered relating to automation; and
- (3) Requiring the Bureau to implement a pilot program for an integrated electronic filing system for electronic recordation of fee time share interests.

The Hawaii Association of REALTORS, Wyndham Worldwide, PAHIO Development, Inc., American Resort Development Association-Hawaii, and Starwood Vacation Ownership supported this bill. A concerned individual opposed this bill. The Department of Land and Natural Resources, Hawaii Government Employees Association, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Allowing owners of land registered in the Land Court System to deregister the land and transfer registration to the Regular System upon submission of a written request including proof of title insurance and a waiver of future title claims against the State;
- (2) Allowing documents to be filed electronically in the Land Court System;
- (3) Deleting the sunset date of the \$5 transaction fee;
- (4) Changing the dates of the two-year pilot program for the electronic recordation of fee time share interests so that it will run from July 1, 2012, to December 31, 2014, rather than from July 1, 2010, to December 31, 2012;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1352, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Pine.

**SCRep. 1738 Water, Land, & Ocean Resources/Economic Revitalization, Business, & Military Affairs on H.R. No. 115**

The purpose of this resolution is to encourage Hawaii's Congressional delegation to sponsor and support federal legislation to convey to the Hawaii Community Development Authority (HCDA) six parcels of land in the Kalaheo Community Development District identified and discussed by the Base Realignment and Closure Commission and HCDA.

HCDA supported this resolution.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 115 and recommend its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Manahan, Wakai, Wooley, Ching and Ward.

**SCRep. 1739 Water, Land, & Ocean Resources/Economic Revitalization, Business, & Military Affairs on H.C.R. No. 145**

The purpose of this concurrent resolution is to encourage Hawaii's Congressional delegation to sponsor and support federal legislation to convey to the Hawaii Community Development Authority (HCDA) six parcels of land in the Kalaeloa Community Development District identified and discussed by the Base Realignment and Closure Commission and HCDA.

HCDA supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 145 and recommend its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Manahan, Wakai, Wooley, Ching and Ward.

**SCRep. 1740 Consumer Protection & Commerce on H.R. No. 88**

The purpose of this resolution is to request that the Auditor conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, of the social and financial effects of mandating coverage for colorectal cancer screening by colonoscopy and screening tests and procedures as further described by House Bill No. 823 (Regular Session of 2009). The Auditor is further requested to submit a report on its findings and recommendations to the Legislature at least twenty days prior to the convening of the Regular Session of 2010.

The American Cancer Society Hawaii Pacific, Inc. and the Hawaii Chapter-American Physical Therapy Association (HAPTA) submitted testimony in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1741 Consumer Protection & Commerce on H.C.R. No. 109**

The purpose of this concurrent resolution is to request that the Auditor conduct an impact assessment report pursuant to sections 23-51 and 23-52, Hawaii Revised Statutes, of the social and financial effects of mandating coverage for colorectal cancer screening by colonoscopy and screening tests and procedures as further described by House Bill No. 823 (Regular Session of 2009). The Auditor is further requested to submit a report on its findings and recommendations to the Legislature at least twenty days prior to the convening of the Regular Session of 2010.

The American Cancer Society Hawaii Pacific, Inc. and the Hawaii Chapter-American Physical Therapy Association (HAPTA) submitted testimony in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1742 Consumer Protection & Commerce on H.R. No. 153**

The purpose of this resolution is to request that the Department of Health (DOH) study the possible control measures to regulate volatile organic compounds (VOC) emissions resulting from paint spray booths used by auto body refinishers.

The DOH is also requested to include the following considerations when conducting its study:

- (1) All available information regarding alternatives to current materials, equipment, and techniques used by auto body refinishers;
- (2) Regulations regarding VOC emissions and auto body refinishers adopted by other states;
- (3) The "Interim Guidance Policy" published by the United States Environmental Protection Agency in September 2005, which set a direction for future VOC control;
- (4) Current permitting procedures for buildings that house businesses related to auto body refinishing used by both the Honolulu Fire Department (HFD) and Department of Planning and Permitting of the City and County of Honolulu (DPP); and
- (5) The feasibility of developing procedures that allow DPP and HFD to reevaluate permits issued to auto body refinishers based on complaints, including a reevaluation and reinvestigation of all related factors including ventilation and stack design;

Furthermore, it is requested that this study include a consideration of the costs and benefits to the owners and operators of auto body refinishing businesses.

Finally, the DOH is requested to submit a report of its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

Testimony in support of this resolution was submitted by the Department of Health, the Kauai Fire Department (KFD), the Honolulu Fire Department (HFD), the KFD and HFD on behalf of the State Fire Council (SFC), EnviroWatch, inc., and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1743 Consumer Protection & Commerce on H.C.R. No. 187**

The purpose of this concurrent resolution is to request that the Department of Health (DOH) study the possible control measures to regulate volatile organic compounds (VOC) emissions resulting from paint spray booths used by auto body refinishers.

The DOH is also requested to include the following considerations when conducting its study:

- (1) All available information regarding alternatives to current materials, equipment, and techniques used by auto body refinishers;
- (2) Regulations regarding VOC emissions and auto body refinishers adopted by other states;
- (3) The "Interim Guidance Policy" published by the United States Environmental Protection Agency in September 2005, which set a direction for future VOC control;
- (4) Current permitting procedures for buildings that house businesses related to auto body refinishing used by both the Honolulu Fire Department (HFD) and Department of Planning and Permitting of the City and County of Honolulu (DPP); and
- (5) The feasibility of developing procedures that allow DPP and HFD to reevaluate permits issued to auto body refinishers based on complaints, including a reevaluation and reinvestigation of all related factors including ventilation and stack design;

Furthermore, it is requested that this study include a consideration of the costs and benefits to the owners and operators of auto body refinishing businesses.

Finally, the DOH is requested to submit a report of its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

Testimony in support of this concurrent resolution was submitted by the Department of Health, the Kauai Fire Department (KFD), the Honolulu Fire Department (HFD), the KFD and HFD on behalf of the State Fire Council (SFC), EnviroWatch, inc., and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1744 Consumer Protection & Commerce on H.C.R. No. 171**

The purpose of this concurrent resolution is to request that the Auditor study the feasibility of removing amateur boxing from the jurisdiction of the State Boxing Commission, resulting in amateur boxing being regulated by USA Boxing, Inc.

The Auditor is also requested, as part of its study, to solicit information from the Department of Commerce and Consumer Affairs, the Hawaii chapter of USA Boxing, Inc., the Boxing Commission, amateur boxing coaches in the State, and amateur boxing clubs in the State.

Furthermore, the Auditor is requested to submit any findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

Opposing testimony was submitted by the Hawaii State Boxing Commission, representatives from various boxing organizations provided testimony in support, and an individual involved in the boxing community shared comments in reference to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1745 Consumer Protection & Commerce on H.C.R. No. 161**

The purpose of this concurrent resolution is to encourage the Real Estate Commission to draft, adopt, and implement revised or additional administrative rules under chapter 107, HAR, to reflect changes in the condominium law under chapter 514B, HRS, by no later than December 31, 2009.

Your committee has amended this concurrent resolution by changing the title to read:

"REQUESTING A SUNRISE REVIEW OF REGULATING PRACTITIONERS OF TEETH-WHITENING."

Your committee has also amended the content of this concurrent resolution to address the intent of Senate Bill No. 51, S.D.1, H.D.1, Regular Session of 2009, which calls for regulating the practice of teeth-whitening. Section 26H-6, Hawaii Revised Statutes, requires a review by the Auditor before enactment of a measure that would subject an unregulated profession or vocation to licensing or other regulatory control.



H.C.R. 161 HD1 is requesting that the Auditor perform a sunrise review regarding the regulation of persons who engage in the practice of teeth-whitening.

The Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office and the Board of Dental Examiners provided comments, and a representative of the Hawaii Dental Association provided testimony in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 161, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1746      Housing on H.R. No. 236**

The purpose of this resolution is to help encourage greater environmental responsibility by requesting the Department of Health (DOH), in consultation with the State Building Code Council and the counties, to develop a plan by which:

- (1) Proposed gray water recycling systems reviewed and approved by DOH may be implemented for residential premises not served by county wastewater systems;
- (2) The gray water provisions of the Uniform Plumbing Code, as incorporated into the State Building Code, may be applied to residential premises served by county wastewater systems under specified conditions; and
- (3) The building permit process may include DOH review and approval of included gray water recycling systems in residential premises not served by county wastewater systems.

Your Committee received no testimony on this resolution. Your Committee notes, however, that a member of the County Council of Maui and Malama Kauai supported House Concurrent Resolution No. 266, which is the same in substance as this resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 236 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Ching and Thielen.

**SCRep. 1747      Housing on H.C.R. No. 266**

The purpose of this concurrent resolution is to help encourage greater environmental responsibility by requesting the Department of Health (DOH), in consultation with the State Building Code Council and the counties, to develop a plan by which:

- (1) Proposed gray water recycling systems reviewed and approved by DOH may be implemented for residential premises not served by county wastewater systems;
- (2) The gray water provisions of the Uniform Plumbing Code, as incorporated into the State Building Code, may be applied to residential premises served by county wastewater systems under specified conditions; and
- (3) The building permit process may include DOH review and approval of included gray water recycling systems in residential premises not served by county wastewater systems.

A member of the County Council of Maui and Malama Kauai supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 266 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Ching and Thielen.

**SCRep. 1748      Legislative Management on H.C.R. No. 94**

The purpose of this resolution is to request the Auditor conduct a management and financial audit of the Hawaii Public Housing Authority's maintenance contracts and the management of those contracts and to investigate reports of disrepair, noncompliance with the Americans with Disabilities Act, and other concerns of residents, and that the Auditor take into account the newly implemented HUD Deficiency Report Checklist when reviewing Hawaii Public Housing Authority.

The Hawaii Public Housing Authority testified in strong opposition. Lawyers for Equal Justice and twenty-three concerned individuals testified in strong support of this measure.

Your Committee has amended this measure by:

- (1) Adding additional WHEREAS paragraphs recognizing that the problems outlined in this measure are longstanding and extend to other facilities operated by Hawaii Public Housing Authority. Taking note that although the authority has contracted out the management of its facilities to private vendors for as much as \$3million a year, the ultimate responsibility for performance on those contracts and the ongoing maintenance and larger day-to-day management of every facility fall under the scope of the Hawaii Public Housing Authority.
- (2) Requesting the Auditor to take into account the newly implemented HUD Deficiency Report Checklist when reviewing Hawaii Public Housing Authority;
- (3) Adding an additional BE IT FURTHER RESOLVED paragraph to implement a prioritization list for the Auditor to prioritize the audit efforts while limiting the scope of the audit to a more clearly defined and manageable size; and

- (4) Making technical, non-substantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1749 Legislative Management on H.R. No. 242**

The purpose of this resolution is to request that amendments to the House of Representatives Rules and Administrative and Financial Manual impose a duty upon members to ensure their permanent and session legislative employees are engaging in practices that are not viewed as a conflict of interest to the scope of their duties by testifying before the Legislature during work hours, as defined by section 22.1 of the Administrative and Financial Manual.

This measure includes a requirement that all session and permanent employees file a request for vacation or unpaid leave of absence with Speaker of the House of Representatives and the request is approved prior to the time the employee testifies. In the event there is a 48-hour notification waiver, this measure allows for omission of filing paperwork under the assurance of make-up of requisite work time under member's own discretion. Requires employee disclosure of office of employment prior to testifying.

The House Minority Research office submitted testimony in support with comments on this measure. One concerned individual testified in support.

Your Committee has amended this resolution by:

- (1) Changing its title to read, "URGING THE MEMBERS OF THE HOUSE OF REPRESENTATIVES TO SUPPORT AMENDMENTS TO THE HOUSE OF REPRESENTATIVES RULES AND ADMINISTRATIVE AND FINANCIAL MANUAL TO IMPOSE A DUTY OF A MEMBER TO ENSURE THEIR PERMANENT AND SESSION EMPLOYEES OF THE HOUSE OF REPRESENTATIVES ARE ENGAGING IN PRACTICES THAT ARE NOT VIEWED AS A CONFLICT OF INTEREST TO THE SCOPE OF THEIR DUTIES BY TESTIFYING BEFORE THE LEGISLATURE DURING NORMAL BUSINESS HOURS".
- (2) Amending language by:
  - (A) Further defining Legislative employees impacted as permanent and session employees;
  - (B) Deleting all references to discourage and replacing with to ensure that permanent and session employees are engaging in practices that are not viewed as a conflict of interest;
- (3) Adding an additional BE IT RESOLVED paragraph to allow for exemptions due to time constraints or by 48-hour notification waivers; and
- (4) Making technical, non-substantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 242, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 242, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1750 Economic Revitalization, Business, & Military Affairs on H.R. No. 247**

The purpose of this resolution is to request the Department of Transportation to encourage airport concession contract holders to give local vendors first right of refusal to supply goods, wares, merchandise, and services to the concession.

No testimony was received on this resolution; however, your Committee finds that there is no question that every effort should be made to give our local businesses preference when contracting for goods and services in state facilities.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 247 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Tokioka, Wakai and Ward.

**SCRep. 1751 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 276**

The purpose of this concurrent resolution is to request the Department of Transportation to encourage airport concession contract holders to give local vendors first right of refusal to supply goods, wares, merchandise, and services to the concession.

No testimony was received on this concurrent resolution; however, your Committee finds that there is no question that every effort should be made to give our local businesses preference when contracting for goods and services in state facilities.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 276 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Tokioka, Wakai and Ward.

**SCRep. 1752 Economic Revitalization, Business, & Military Affairs on H.R. No. 270**

The purpose of this resolution is to urge the United States (U.S.) President and Congress to enact legislation to expedite immigrant visas to reunite World War II (WWII) Filipino veterans with their children.

WWII Fil-Am Veterans, Hawaii Chapter and several concerned individuals supported this measure.

Filipino soldiers were called to service in WWII, were promised full veterans benefits, and served side-by-side with American soldiers to defend our country. When their service was complete, unlike other national groups, they were denied full U.S. veteran status, including pensions and other benefits. Congress in 1990 partially redressed this wrong when it provided a waiver of certain immigration and naturalization requirements. But in so doing, Congress failed to extend these benefits to the veterans' children.

Today, the youngest of the WWII Filipino veterans are approaching 80. Many are bedridden, or have died alone, without the support or comfort of their families. Your Committee finds that the adoption of a federal law to expedite immigrant visas and reunite these veterans with their families is long overdue.

Your Committee has amended this measure by:

- (1) Adding the President of the Republic of the Philippines, Secretary of Veterans Affairs, and American Coalition for Filipino Veterans to the list of persons and organizations that are to receive a certified copy of this resolution;
- (2) Making technical, nonsubstantive amendments to the title. As amended, the title reads, "URGING THE UNITED STATES PRESIDENT, SENATE, AND HOUSE OF REPRESENTATIVES TO ENACT LEGISLATION TO EXPEDITE IMMIGRANT VISAS FOR FAMILY REUNIFICATION OF CERTAIN FILIPINO VETERANS OF WORLD WAR II"; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 270, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 270, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Tokioka, Wakai and Ward.

**SCRep. 1753 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 298**

The purpose of this concurrent resolution is to urge the United States (U.S.) President and Congress to enact legislation to expedite immigrant visas to reunite World War II (WWII) Filipino veterans with their children.

WWII Fil-Am Veterans, Hawaii Chapter and several concerned individuals supported this measure.

Filipino soldiers were called to service in WWII, were promised full veterans benefits, and served side-by-side with American soldiers to defend our country. When their service was complete, unlike other national groups, they were denied full U.S. veteran status, including pensions and other benefits. Congress in 1990 partially redressed this wrong when it provided a waiver of certain immigration and naturalization requirements. But in so doing, Congress failed to extend these benefits to the veterans' children.

Today, the youngest of the WWII Filipino veterans are approaching 80. Many are bedridden, or have died alone, without the support or comfort of their families. Your Committee finds that the adoption of a federal law to expedite immigrant visas and reunite these veterans with their families is long overdue.

Your Committee has amended this measure by:

- (1) Adding the President of the Republic of the Philippines, Secretary of Veterans Affairs, and American Coalition for Filipino Veterans to the list of persons and organizations that are to receive a certified copy of this concurrent resolution;
- (2) Making technical, nonsubstantive amendments to the title. As amended, the title reads, "URGING THE UNITED STATES PRESIDENT, SENATE, AND HOUSE OF REPRESENTATIVES TO ENACT LEGISLATION TO EXPEDITE IMMIGRANT VISAS FOR FAMILY REUNIFICATION OF CERTAIN FILIPINO VETERANS OF WORLD WAR II"; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 298, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 298, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Tokioka, Wakai and Ward.

**SCRep. 1754 Tourism, Culture, & International Affairs on H.R. No. 193**

The purpose of this resolution is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific and Cultural Organization for designation as a World Heritage Site.

The Friends of Iolani Palace supported this resolution. The Department of Land and Natural Resources supported the intent of this measure. The Hawaiian Political Action Council of Hawaii and a concerned individual opposed this resolution.

Your Committee has amended this resolution by:

- (1) Requesting The Friends of Iolani Palace to consult with the Hawaiian community and other appropriate organizations to receive input regarding the nomination of Iolani Palace as a World Heritage Site; and
- (2) Sending copies of this resolution to the Executive Director of the Friends of Iolani Palace and President of the Association of Hawaiian Civic Clubs.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 193, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 193, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Choy and Wakai.

**SCRep. 1755          Tourism, Culture, & International Affairs on H.C.R. No. 225**

The purpose of this concurrent resolution is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific and Cultural Organization for designation as a World Heritage Site.

The Friends of Iolani Palace supported this concurrent resolution. The Department of Land and Natural Resources supported the intent of this measure. The Hawaiian Political Action Council of Hawaii and a concerned individual opposed this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting The Friends of Iolani Palace to consult with the Hawaiian community and other appropriate organizations to receive input regarding the nomination of Iolani Palace as a World Heritage Site; and
- (2) Sending copies of this concurrent resolution to the Executive Director of the Friends of Iolani Palace and President of the Association of Hawaiian Civic Clubs.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 225, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Choy and Wakai.

**SCRep. 1756          Consumer Protection & Commerce on H.C.R. No. 97**

The purpose of the concurrent resolution is to request that the Auditor, pursuant to section 26H-6, Hawaii Revised Statutes, perform an analysis of the proposed regulation of respiratory care practitioners, including the establishment of a board of respiratory care, as proposed in House Bill No. 1823 (2009).

Your committee has amended this concurrent resolution by:

- (1) clarifying that 48 other states are protected from the unqualified practice of respiratory care and from unprofessional conduct by persons who provide respiratory care; and
- (2) changing the references from House Bill No. 1823 to Senate Bill No. 1332, SD2 that has already passed the Senate.

Testimony in support of this concurrent resolution was submitted by the Hawaii Medical Association, various individuals affiliated with the respiratory care industry including practitioners, therapists, teaching professionals in the field, and a concerned citizen.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Luke, McKelvey and Thielen.

**SCRep. 1757          Agriculture on H.R. No. 191**

The purpose of this resolution is to request the Department of Agriculture to identify priorities for State-owned Important Agricultural Lands (IALs) to maximize the use of these lands for critically-needed agriculture and dairy production.

Testimony in support of this resolution was submitted by several concerned individuals and Ho'oluana Nursery. The Department of Agriculture and concerned individual both provided comments.

Your Committee understands that the State of Hawaii needs dairy operations in order to facilitate the transition towards self-sustainability. With the ongoing demise of dairy farms across State, many of our locally grown value-added products have disappeared as well.

Your Committee has amended this measure by:

- (1) Deleting the paragraphs referencing important agricultural lands;
- (2) Changing the purpose of this measure by requesting that the Department of Agriculture, in consultation with the Department of Health and the Department of Land and Natural Resources, identify state-owned agricultural lands suitable for dairies to maximize the likelihood that the land can be used as pastures by dairies for milk production;
- (3) Requesting that the Department of Agriculture submit a report to the legislature 20 days prior to the convening of the next legislative session;
- (4) Requesting that certified copies of this measure also be transmitted to the Chairperson of the Department of Health, and the Chairperson of the Department of Land and Natural Resources; and
- (5) Further amending the measure by changing the title to reflect the new purpose of the measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 191, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 191, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Manahan, Tokioka and Wakai.

**SCRep. 1758      Agriculture on H.C.R. No. 222**

The purpose of this concurrent resolution is to request the Department of Agriculture to identify priorities for State-owned Important Agricultural Lands (IALs) to maximize the use of these lands for critically-needed agriculture and dairy production.

Testimony in support of this resolution was submitted by several concerned individuals and Ho'oluana Nursery. The Department of Agriculture and concerned individual both provided comments.

Your Committee understands that the State of Hawaii needs dairy operations in order to facilitate the transition towards self-sustainability. With the ongoing demise of dairy farms across State, many of our locally grown value-added products have disappeared as well.

Your Committee has amended this measure by:

- (1) Deleting the paragraphs referencing important agricultural lands;
- (2) Changing the purpose of this measure by requesting that the Department of Agriculture, in consultation with the Department of Health and the Department of Land and Natural Resources, identify state-owned agricultural lands suitable for dairies to maximize the likelihood that the land can be used as pastures by dairies for milk production;
- (3) Requesting that the Department of Agriculture submit a report to the legislature 20 days prior to the convening of the next legislative session;
- (4) Requesting that certified copies of this measure also be transmitted to the Chairperson of the Department of Health, and the Chairperson of the Department of Land and Natural Resources; and
- (5) Further amending the measure by changing the title to reflect the new purpose of the measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 222, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 222, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Manahan, Tokioka and Wakai.

**SCRep. 1759      Hawaiian Affairs on H.R. No. 53**

The purpose of this resolution is to help preserve the Hawaiian language by requesting the Department of Accounting and General Services (DAGS) to develop a plan under which all signs in the State Capitol are written in both English and Hawaiian.

DAGS supported the intent of this resolution. A concerned individual opposed this resolution.

Your Committee has amended this resolution by adding language:

- (1) Requesting that the plan exempt the Hawaii State motto and Hawaii State seal, to avoid modification of the original artwork; and
- (2) Requesting that the plan designate the Hawaii Board on Geographic Names as the authority for translations and spelling concerning geographic features in Hawaii.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 53, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

**SCRep. 1760      Hawaiian Affairs on H.C.R. No. 67**

The purpose of this concurrent resolution is to help preserve the Hawaiian language by requesting the Department of Accounting and General Services (DAGS) to develop a plan under which all signs in the State Capitol are written in both English and Hawaiian.

DAGS supported the intent of this concurrent resolution. A concerned individual opposed this concurrent resolution.

Your Committee has amended this concurrent resolution by adding language:

- (1) Requesting that the plan exempt the Hawaii State motto and Hawaii State seal, to avoid modification of the original artwork; and
- (2) Requesting that the plan designate the Hawaii Board on Geographic Names as the authority for translations and spelling concerning geographic features in Hawaii.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

**SCRep. 1761 Economic Revitalization, Business, & Military Affairs on H.R. No. 108**

The purpose of this resolution is to request the Office of Veterans' Services to direct its Advisory Board on Veterans' Services to formulate veteran eligibility criteria that could be implemented in all state and county laws that provide health, education, human services, housing, loan financing, business development, and labor benefits.

Before the hearing of this measure, your Committee distributed a proposed H.D. 1 that replaced the substance of H.R. No. 108 with provisions requesting the Department of Commerce and Consumer Affairs (DCCA) and Department of Business, Economic Development, and Tourism (DBEDT) to conduct a study of telecommunications and broadband infrastructure inventory in Hawaii.

DCCA and DBEDT commented on the proposed H.D. 1.

Upon consideration, your Committee has replaced the substance of H.R. No. 108 with the substance of the proposed H.D. 1, which has been amended to:

- (1) Require the Hawaii Broadband Commissioner (Commissioner) rather than DCCA and DBEDT, to perform the study;
- (2) Provide that if legislation establishing the Commissioner is not enacted in 2009, the Public Utilities Commission (PUC) is requested to perform the study and report to the Legislature;
- (3) Request DCCA and DBEDT to assist the Commissioner or PUC, as the case may be, in performing the study; and
- (4) Conform the title to these amendments. As amended, the title reads, "HOUSE RESOLUTION REQUESTING THE HAWAII BROADBAND COMMISSIONER TO CONDUCT A STUDY OF TELECOMMUNICATIONS AND BROADBAND INFRASTRUCTURE INVENTORY."

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 108, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 108, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Tokioka, Wakai and Ward.

**SCRep. 1762 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 131**

The purpose of this concurrent resolution is to request the Office of Veterans' Services to direct its Advisory Board on Veterans' Services to formulate veteran eligibility criteria that could be implemented in all state and county laws that provide health, education, human services, housing, loan financing, business development, and labor benefits.

Before the hearing of this measure, your Committee distributed a proposed H.D. 1 that replaced the substance of H.C.R. No. 131 with provisions requesting the Department of Commerce and Consumer Affairs (DCCA) and Department of Business, Economic Development, and Tourism (DBEDT) to conduct a study of telecommunications and broadband infrastructure inventory in Hawaii.

DCCA and DBEDT commented on the proposed H.D. 1.

Upon consideration, your Committee has replaced the substance of H.C.R. No. 131 with the substance of the proposed H.D. 1, which has been amended to:

- (1) Require the Hawaii Broadband Commissioner (Commissioner) rather than DCCA and DBEDT, to perform the study;
- (2) Provide that if legislation establishing the Commissioner is not enacted in 2009, the Public Utilities Commission (PUC) is requested to perform the study and report to the Legislature;
- (3) Request DCCA and DBEDT to assist the Commissioner or PUC, as the case may be, in performing the study; and
- (4) Conform the title to these amendments. As amended, the title reads, "HOUSE CONCURRENT RESOLUTION REQUESTING THE HAWAII BROADBAND COMMISSIONER TO CONDUCT A STUDY OF TELECOMMUNICATIONS AND BROADBAND INFRASTRUCTURE INVENTORY."

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 131, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Tokioka, Wakai and Ward.

**SCRep. 1763 Legislative Management on H.C.R. No. 210**

The purpose of this concurrent resolution is to work toward comprehensively improving the Hawaii State Procurement Code by requesting the formation of a joint Legislative Procurement Working Group to evaluate the Hawaii State Procurement Code and recommend improvements.

The Hawaii Farm Bureau Federation submitted testimony in strong support. The Department of Accounting and General Services, the University of Hawaii System, and Building Industry Association of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Specifying that the Joint Legislative Procurement Working Group include Chapters 103 D and F in their evaluation of Hawaii Public Procurement Code and recommend improvements;

- (2) Changing the composition of the Joint Legislative Procurement Working Group from three members to four members from both the House of Representatives and the Senate. Accordingly, changing the amount of majority members sitting on the Working Group from two members to three members and one member from the minority party for both the House and Senate;
- (3) Deleting lines 40-42, on page 2, because the Hawaii Procurement Institute resides at the William S. Richardson School of Law but is independent of the University.
- (4) Adding Building Industry Association of Hawaii, General Contractors Association of Hawaii, Subcontractors Association, the Associated Builders and Contractors and other additional interested trade unions to subsection 8 of the invited persons to attend as interested parties to the Joint Legislative Working Group;
- (4) [*sic*] Making technical, non-substantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 210, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 210, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1764 Consumer Protection & Commerce on H.C.R. No. 124**

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau conduct a study on how the phrase "incidental and supplemental" should be interpreted and applied in the bidding process. The Legislative Reference Bureau is further requested to determine the extent of work that can be performed by a specialty contractor when the specialty contractor is not licensed for that work, and consider the interests and protection of consumers in conducting the study.

The Contractors License Board and the Legislative Reference Bureau submitted testimony with comments on this concurrent resolution. The Subcontractors Association of Hawaii (SAH) and Iron Workers Stabilization Fund submitted testimony in support of this concurrent resolution. The Building Industry Association and General Contractors Association of Hawaii submitted testimony in opposition.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Karamatsu, Luke, Mizuno and Morita.  
(Representative Marumoto voted no.)

**SCRep. 1765 Water, Land, & Ocean Resources on H.R. No. 116**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) and the City and County of Honolulu to determine the ownership and jurisdiction of an unimproved section of Kaimakani Street and to agree upon the ongoing maintenance of Kaimakani Street.

A concerned individual supported this resolution. DLNR and the Honolulu Department of Design and Construction offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1766 Water, Land, & Ocean Resources on H.C.R. No. 146**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) and the City and County of Honolulu to determine the ownership and jurisdiction of an unimproved section of Kaimakani Street and to agree upon the ongoing maintenance of Kaimakani Street.

A concerned individual supported this concurrent resolution. DLNR and the Honolulu Department of Design and Construction offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1767 Water, Land, & Ocean Resources on H.R. No. 166**

The purpose of this resolution is to request the City and County of Honolulu to increase fines for multiple violations of county property and public health ordinances within a certain time period within a certain area.

The Representative from the Nineteenth District and several concerned individuals supported this resolution. The Honolulu Department of Planning and Permitting opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 166 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1768 Water, Land, & Ocean Resources on H.C.R. No. 204**

The purpose of this concurrent resolution is to request the City and County of Honolulu to increase fines for multiple violations of county property and public health ordinances within a certain time period within a certain area.

The Representative from the Nineteenth District and several concerned individuals supported this concurrent resolution. The Honolulu Department of Planning and Permitting opposed this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 204 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1769 Water, Land, & Ocean Resources on H.R. No. 220**

The purpose of this resolution is to urge the Division of Aquatic Resources of the Department of Land and Natural Resources (DLNR) to consult with licensed specialized fishing practitioners prior to implementing or revising rules regulating commercial fishing.

Several concerned individuals supported this resolution. DLNR and Koolaupoko Hawaiian Civic Club offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 220 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.  
(Representative Morita voted no.)

**SCRep. 1770 Water, Land, & Ocean Resources on H.C.R. No. 251**

The purpose of this concurrent resolution is to urge the Division of Aquatic Resources of the Department of Land and Natural Resources (DLNR) to consult with licensed specialized fishing practitioners prior to implementing or revising rules regulating commercial fishing.

The Hawaii Nearshore Fishermen and several concerned individuals supported this concurrent resolution. DLNR and Koolaupoko Hawaiian Civic Club offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 251 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.  
(Representative Morita voted no.)

**SCRep. 1771 Water, Land, & Ocean Resources on H.R. No. 138**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to establish a working group to investigate the feasibility of creating a market in the tourism industry for riflery, archery, and hunting activities.

The Hawaii Rifle Association, West Hawaii Gun Club, Hawaii Island Public Shooting Range Working Group, and several concerned individuals supported this resolution. DBEDT and several concerned individuals opposed this resolution.

Your Committee notes the potential for expanded tourism opportunities in the wealth of outdoor activities available in the state. Your Committee further finds that this potential is not limited to riflery, archery, and hunting activities, but includes a wide variety of outdoor activities, like hiking, fishing, and watersports. Accordingly, your Committee has amended this resolution to request the Hawaii Tourism Authority (HTA) to investigate the feasibility of creating a market in the tourism industry for outdoor activities. Specifically, your Committee has amended this resolution by:

- (1) Expanding the scope of the requested investigation to include all outdoor activities;
- (2) Replacing DBEDT with HTA as the agency responsible for conducting the investigation and reporting back to the Legislature;
- (3) Deleting the request to convene and support a working group to research and report on the viability of attracting tourists to participate in riflery, archery, and hunting activities; and
- (4) Changing the title to reflect the amended request.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 138, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 138, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1772 Water, Land, & Ocean Resources on H.C.R. No. 174**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to establish a working group to investigate the feasibility of creating a market in the tourism industry for riflery, archery, and hunting activities.

The Hawaii Rifle Association, West Hawaii Gun Club, Hawaii Island Public Shooting Range Working Group, and several concerned individuals supported this concurrent resolution. DBEDT and several concerned individuals opposed this concurrent resolution.



Your Committee notes the potential for expanded tourism opportunities in the wealth of outdoor activities available in the state. Your Committee further finds that this potential is not limited to riflery, archery, and hunting activities, but includes a wide variety of outdoor activities, like hiking, fishing, and watersports. Accordingly, your Committee has amended this concurrent resolution to request the Hawaii Tourism Authority (HTA) to investigate the feasibility of creating a market in the tourism industry for outdoor activities. Specifically, your Committee has amended this concurrent resolution by:

- (1) Expanding the scope of the requested investigation to include all outdoor activities;
- (2) Replacing DBEDT with HTA as the agency responsible for conducting the investigation and reporting back to the Legislature;
- (3) Deleting the request to convene and support a working group to research and report on the viability of attracting tourists to participate in riflery, archery, and hunting activities; and
- (4) Changing the title to reflect the amended request.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 174, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1773 Water, Land, & Ocean Resources on H.R. No. 149**

The purpose of this resolution is to request the Office of the Governor to convene a scenic byways working group to select possible sites statewide, including the Pi'ilani Trail on Maui, for proposed federal designation as scenic byways.

Historic Hawaii Foundation and a concerned individual supported this resolution. The Department of Transportation (DOT) supported the intent of this resolution.

Your Committee has amended this resolution by:

- (1) Requesting the Office of the Governor to direct DOT to perform the actions requested by the resolution;
- (2) Changing the title to reflect the amendment; and
- (3) Making technical, nonsubstantive changes for style, clarity, and content.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 149, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 149, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1774 Water, Land, & Ocean Resources on H.C.R. No. 185**

The purpose of this concurrent resolution is to request the Office of the Governor to convene a scenic byways working group to select possible sites statewide, including the Pi'ilani Trail on Maui, for proposed federal designation as scenic byways.

Historic Hawaii Foundation and a concerned individual supported this concurrent resolution. The Department of Transportation (DOT) supported the intent of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Office of the Governor to direct DOT to perform the actions requested by the concurrent resolution;
- (2) Changing the title to reflect the amendment; and
- (3) Making technical, nonsubstantive changes for style, clarity, and content.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 185, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Har, C. Lee, Luke, Sagum and Ching.

**SCRep. 1775 Tourism, Culture, & International Affairs on H.R. No. 79**

The purpose of this resolution is to proclaim November 21, 2009, as "Islam Day" in recognition of the rich religious, scientific, cultural, and artistic contributions Islam and the Islamic world have made since their founding.

Many concerned individuals supported this resolution.

Your Committee notes that the Muslim Association of Hawaii offered amendments in response to comments regarding the date specified in the original resolution.

Accordingly, your Committee has amended this resolution by:

- (1) Changing its title to read, "PROCLAIMING SEPTEMBER 24, 2009, AS ISLAM DAY";

- (2) Removing reference to November 21, 2009, marking the anniversary of the founding of Islam;
- (3) Adding provisions regarding the Prophet Mohammad who migrated to Madinah on September 24<sup>th</sup> of the Gregorian calendar, marking the birth of Islam;
- (4) Citing a Congressional resolution that honored Islam's 14<sup>th</sup> centennial;
- (5) Recognizing September 24, 2009, instead of November 21, 2009, as "Islam Day";
- (6) Sending certified copies of this resolution to Hawaii's congressional delegation; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 79, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Wakai and Marumoto.

**SCRep. 1776      Tourism, Culture, & International Affairs on H.C.R. No. 100**

The purpose of this concurrent resolution is to proclaim November 21, 2009, as "Islam Day" in recognition of the rich religious, scientific, cultural, and artistic contributions Islam and the Islamic world have made since their founding.

Many concerned individuals supported this concurrent resolution.

Your Committee notes that the Muslim Association of Hawaii offered amendments in response to comments regarding the date specified in the original resolution.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read, "PROCLAIMING SEPTEMBER 24, 2009, AS ISLAM DAY";
- (2) Removing reference to November 21, 2009, marking the anniversary of the founding of Islam;
- (3) Adding provisions regarding the Prophet Mohammad who migrated to Madinah on September 24<sup>th</sup> of the Gregorian calendar, marking the birth of Islam;
- (4) Citing a Congressional resolution that honored Islam's 14<sup>th</sup> centennial;
- (5) Recognizing September 24, 2009, instead of November 21, 2009, as "Islam Day";
- (6) Sending certified copies of this concurrent resolution to Hawaii's congressional delegation; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 100, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Wakai and Marumoto.

**SCRep. 1777      Finance on H.C.R. No. 16**

The purpose of this concurrent resolution is to encourage state and county action to stimulate individual savings and development of credit and to formulate an inventory of banking services available to low-income persons and those with no credit history in the state.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1778      Finance on H.C.R. No. 28**

The purpose of this concurrent resolution is to request a study of the care given to areas of state parks that contain heiau and other sacred sites, and a plan to solve caretaking problems by expanding and augmenting community-based caretaking and educational programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1779      Finance on H.C.R. No. 34**

The purpose of this concurrent resolution is to request Congress to raise medicare fee schedule payment amounts for physicians rendering services in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1780 Finance on H.C.R. No. 35**

The purpose of this concurrent resolution is to request the Auditor to analyze a proposed measure to regulate home care agencies by the Department of Health.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 35 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1781 Finance on H.C.R. No. 36**

The purpose of this concurrent resolution is to request the Auditor to conduct a comprehensive financial audit of all federal funds designated for health care received by the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1782 Finance on H.C.R. No. 51**

The purpose of this concurrent resolution is to request the Department of Health to increase educational efforts to prevent and eradicate cervical cancer.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1783 Finance on H.C.R. No. 55**

The purpose of this concurrent resolution is to request the centers for medicare and medicaid services to increase reimbursement to Hawaii providers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1784 Finance on H.C.R. No. 63**

The purpose of this concurrent resolution is to urge the Governor to include the Kukui Gardens Affordable Housing Project in the State's list of shovel-ready projects for the President's proposed economic stimulus plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1785 Finance on H.R. No. 43**

The purpose of this resolution is to request the Hawaii Health Systems Corporation to establish a blue ribbon panel to conduct a health care needs assessment and operational structure analysis.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 43 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1786 Finance on H.C.R. No. 53**

The purpose of this concurrent resolution is to request the Hawaii Health Systems Corporation to establish a blue ribbon panel to conduct a health care needs assessment and operational structure analysis.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1787 Hawaiian Affairs on H.C.R. No. 27**

The purpose of this concurrent resolution is to ensure fair and equitable treatment for all, regardless of race or culture, by requesting that the Office of Hawaiian Affairs (OHA) initiate a study on disparate treatment of native Hawaiians in Hawaii's criminal justice system.

OHA, American Civil Liberties Union of Hawaii, Hawaii State Democratic Women's Caucus, Community Alliance on Prisons, The Drug Policy Action Group, Hawaii Political Action Council of Hawaii, and several concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Providing that certified copies be sent to all members of OHA's Board of Trustees and the mayors of each county; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Nishimoto and Yamane.

**SCRep. 1788 Finance on H.C.R. No. 206**

The purpose of this measure is to request the Legislative Reference Bureau to study recent amendments to the Hawaii Administrative Rules relating to public construction contracts to determine whether those amendments are contrary to the letter or spirit of the Hawaii State Procurement Code.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1789 Finance on H.R. No. 168**

The purpose of this resolution is to request a joint agency study on the impact of illegal immigration on Hawaii's economy and public resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 168, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1790 Finance on H.C.R. No. 207**

The purpose of this concurrent resolution is to request a joint agency study on the impact of illegal immigration on Hawaii's economy and public resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1791 Finance on H.R. No. 169**

The purpose of this resolution is to establish policies for the legislative broadcast program's cablecasts of House of Representatives' proceedings.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 169 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1792 Finance on H.R. No. 184**

The purpose of this resolution is to enable better and effective treatments for the potentially debilitating disease, chronic obstructive pulmonary disease (COPD), by requesting that the federal Centers for Disease Control and Prevention (CDC) establish a COPD module for information and research on effective treatments for the disease.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1793 Finance on H.C.R. No. 214**

The purpose of this concurrent resolution is to enable better and effective treatments for the potentially debilitating disease, chronic obstructive pulmonary disease (COPD), by requesting that the federal Centers for Disease Control and Prevention (CDC) establish a COPD module for information and research on effective treatments for the disease.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 214, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1794 Finance on H.R. No. 186**

The purpose of this resolution is to help community reentry outcomes for inmates being released by requesting that the Department of Public Safety (PSD) study the feasibility of:

- (1) Mandating all inmates to participate in in-facility programs, including workline programs; and
- (2) Increasing the scope and number of workline programs it currently operates at its prison and jail facilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 186 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1795 Finance on H.C.R. No. 216**

The purpose of this concurrent resolution is to help community reentry outcomes for inmates being released by requesting that the Department of Public Safety (PSD) study the feasibility of:

- (1) Mandating all inmates to participate in in-facility programs, including workline programs; and
- (2) Increasing the scope and number of workline programs it currently operates at its prison and jail facilities.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1796 Finance on H.R. No. 187**

The purpose of this resolution is to request the University of Hawaii Board of Regents(BOR) to develop plans for a scholarship program for Hawaii residents to study abroad.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 187, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1797 Finance on H.C.R. No. 217**

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents(BOR) to develop plans for a scholarship program for Hawaii residents to study abroad.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 217, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1798 Finance on H.R. No. 91**

The purpose of this resolution is to request the Department of Agriculture to consult with other public and private entities to develop a plan to optimize the use of the Kamuela Vacuum Cooling Plant.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1799 Finance on H.C.R. No. 113**

The purpose of this concurrent resolution is to request the Department of Agriculture to consult with other public and private entities to develop a plan to optimize the use of the Kamuela Vacuum Cooling Plant.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1800 Finance on H.R. No. 92**

The purpose of this resolution is to request the Governor and the Chairperson of the Board of Land and Natural Resources to strive to expend the State of Hawaii's full allotment of federal aid in wildlife restoration funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 92 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1801 Finance on H.C.R. No. 114**

The purpose of this concurrent resolution is to request the Governor and the Chairperson of the Board of Land and Natural Resources to strive to expend the State of Hawaii's full allotment of federal aid in wildlife restoration funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1802 Finance on H.C.R. No. 135**

The purpose of this concurrent resolution is to strongly support the concept of establishing a system of juvenile intake and assessment centers, as embodied by the proposed pilot Big Island Juvenile Intake and Assessment Center, throughout the State."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1803 Finance on H.R. No. 119**

The purpose of this resolution is to urge a state-led coordinated effort by the health care and technology communities to ensure that Hawaii is able to rapidly respond to and qualify for grant money offered in the American Recovery and Reinvestment Act of 2009 for health care information exchange technology.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 119 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1804 Finance on H.C.R. No. 148**

The purpose of this concurrent resolution is to urge a state-led coordinated effort by the health care and technology communities to ensure that Hawaii is able to rapidly respond to and qualify for grant money offered in the American Recovery and Reinvestment Act of 2009 for health care information exchange technology.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 148 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1805 Finance on H.R. No. 124**

The purpose of this resolution is to help reduce recidivism in the corrections system by requesting the Department of Public Safety (PSD) to review its efforts of providing reentry services to all inmates released from custody.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 124 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1806 Finance on H.C.R. No. 154**

The purpose of this concurrent resolution is to request the Department of Public Safety to review its efforts to provide reentry services to all inmates released from custody.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1807 Finance on H.R. No. 126**

The purpose of this resolution is to urge the United States Department of the Interior and Congress to provide additional federal aid to Hawaii to provide various services to migrants from the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1808 Finance on H.C.R. No. 158**

The purpose of this concurrent resolution is to urge the United States Department of the Interior and Congress to provide additional federal aid to Hawaii to provide various services to migrants from the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1809 Finance on H.R. No. 150**

The purpose of this resolution is to request the State Foundation on Culture and the Arts to inventory the value of all State owned artwork and report the findings to the legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 150 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1810 Finance on H.C.R. No. 186**

The purpose of this concurrent resolution is to request the State Foundation on Culture and the Arts to inventory the value of all State owned artwork and report the findings to the legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 186 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1811 Finance on H.C.R. No. 193**

The purpose of this concurrent resolution is to accept all funds provided to the State of Hawaii by the American Recovery and Reinvestment Act of 2009, and to establish a legislative federal economic stimulus program oversight commission.

The Department of Education supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Sagum and Tokioka.

**SCRep. 1812 Finance on H.R. No. 157**

The purpose of this resolution is to request the establishment of a task force to study language accessibility within the tourism industry in Hawaii, particularly with regard to the anticipated increases in visitors from Korea and China, and for the task force to submit its findings and recommendations, including cost estimates and any necessary legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1813 Finance on H.C.R. No. 194**

The purpose of this concurrent resolution is to request the establishment of a task force to study language accessibility within the tourism industry in Hawaii, particularly with regard to the anticipated increases in visitors from Korea and China, and for the task force to submit its findings and recommendations, including cost estimates and any necessary legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1814 Finance on H.C.R. No. 199**

The purpose of this concurrent resolution is to ensure that Hawaii prisoners serving their sentences in the Corrections Corporation of America facilities in Arizona are receiving the appropriate services by requesting that the Auditor conduct a performance audit of the Saguaro Correctional Center in Eloy, Arizona.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1815 Finance on H.R. No. 163**

The purpose of this resolution is to help Hawaii's rapidly expanding elderly population deal with the many complex problems they face by urging the University of Hawaii (UH) Administration to immediately expand its support for the Center on Aging, and take such steps as are necessary to re-open UH's gerontology certificate programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 163 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1816 Finance on H.C.R. No. 201**

The purpose of this concurrent resolution is to help Hawaii's rapidly expanding elderly population deal with the many complex problems they face by urging the University of Hawaii (UH) Administration to immediately expand its support for the Center on Aging, and take such steps as are necessary to re-open UH's gerontology certificate programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1817 Finance on H.R. No. 11**

The purpose of this resolution is to request the U.S. Department of Agriculture and the County of Hawaii to provide financial support to agricultural operations that have incurred significant losses due to the effects of vog.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 11, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1818 Finance on H.C.R. No. 7**

The purpose of this concurrent resolution is to request the U.S. Department of Agriculture and the County of Hawaii to provide financial support to agricultural operations that have incurred significant losses due to the effects of vog.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1819 Finance on H.R. No. 12**

The purpose of this resolution is to request the U.S. Department of Agriculture to provide federal aid to assist agricultural operations in vog-impacted areas in meeting their water needs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 12, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1820 Finance on H.C.R. No. 8**

The purpose of this concurrent resolution is to request the U.S. Department of Agriculture to provide federal aid to assist agricultural operations in vog-impacted areas in meeting their water needs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.



**SCRep. 1821 Finance on H.R. No. 14**

The purpose of this resolution is to request the Adjutant General to identify the location of every public safe room in the county of hawaii providing suitable shelter from vog and develop plans to establish such safe rooms in additional areas that need them.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 14, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1822 Finance on H.C.R. No. 10**

The purpose of this concurrent resolution is to request the Adjutant General to identify the location of every public safe room in the County of Hawaii providing suitable shelter from vog and develop plans to establish such safe rooms in additional areas that need them.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1823 Finance on H.R. No. 16**

The purpose of this resolution is to request the President of the Senate, the Speaker of the House of Representatives, and the Governor to create a home for life task force to reduce barriers to aging in place and to facilitate multigenerational living.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 16 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1824 Finance on H.C.R. No. 12**

The purpose of this concurrent resolution is to request the President of the Senate, the Speaker of the House of Representatives, and the Governor to create a home for life task force to reduce barriers to aging in place and to facilitate multigenerational living.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 12 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1825 Finance on H.R. No. 17**

The purpose of this resolution is to request a study of various unresolved issues relating to aging.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 17 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1826 Finance on H.C.R. No. 13**

The purpose of this concurrent resolution is to request a study of various unresolved issues relating to aging.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 13 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1827 Finance on H.R. No. 52**

The purpose of this resolution is to urge the use of polyvinyl chloride and high-density polyethylene pipe and fittings for the construction or repair of private and public potable water systems.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1828 Finance on H.C.R. No. 66**

The purpose of this concurrent resolution is to urge the use of polyvinyl chloride and high-density polyethylene pipe and fittings for the construction or repair of private and public potable water systems.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1829          Finance on H.C.R. No. 76**

The purpose of this concurrent resolution is to request the Governor to not address the 2009 fiscal year budget shortfall by reducing or restricting the Department of Education's and University of Hawaii's current appropriations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1830          Finance on H.C.R. No. 92**

The purpose of this concurrent resolution is to request the Auditor to conduct a financial and management audit of the Department of Public Safety, Sheriff Division, and to report on the suitability of the administrative organization of the Department of Public Safety and Sheriff Division.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1831          Finance on H.R. No. 75**

The purpose of this resolution is to request the Department of Land and Natural Resources, Division of Conservation and Resources Enforcement, to provide limited enforcement services at night on a regular basis and to continue providing enforcement services on weekends and holidays at Kaneohe Bay.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1832          Finance on H.C.R. No. 96**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, Division of Conservation and Resources Enforcement, to provide limited enforcement services at night on a regular basis and to continue providing enforcement services on weekends and holidays at Kaneohe Bay.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1833          Finance on H.R. No. 83**

The purpose of this resolution is to request the Division of Conservation and Resources Enforcement to apply for accreditation or recognition with the Commission on Accreditation for Law Enforcement Agencies, Inc.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 83, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1834          Finance on H.C.R. No. 103**

The purpose of this concurrent resolution is to request the Division of Conservation and Resources Enforcement to apply for accreditation or recognition with the Commission on Accreditation for Law Enforcement Agencies, Inc.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1835          Finance on H.R. No. 84**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a stock assessment of certain marine life to determine a baseline for future management measures.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 84 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1836 Finance on H.C.R. No. 104**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to conduct a stock assessment of certain marine life to determine a baseline for future management measures.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 104 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1837 Finance on H.R. No. 253**

The purpose of this resolution is to improve access to public housing by urging the Hawaii Public Housing Authority (Authority) to eliminate preferences in the public housing application process.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 253 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1838 Finance on H.C.R. No. 281**

The purpose of this concurrent resolution is to improve access to public housing by urging the Hawaii Public Housing Authority (Authority) to eliminate preferences in the public housing application process.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 281 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1839 Finance on H.R. No. 254**

The purpose of this resolution is to urge the Hawaii Public Housing Authority (HPHA) to increase the minimum rent for units in state public housing projects.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 254, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1840 Finance on H.C.R. No. 282**

The purpose of this concurrent resolution is to urge the Hawaii Public Housing Authority to increase the minimum rent for units in state public housing projects.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1841 Finance on H.R. No. 262**

The purpose of this resolution is to commend the Advisory Committee on Immunization Practices for its recommendation to immunize all children ages six months through age eighteen beginning July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 262 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1842 Finance on H.C.R. No. 290**

The purpose of this concurrent resolution is to commend the Advisory Committee on Immunization Practices for its recommendation to immunize all children ages six months through age eighteen beginning July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 290 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1843 Finance on H.R. No. 269**

The purpose of this resolution is to work toward greater prevention of hepatitis B infection by urging Hawaii's Congressional delegation to seek increased federal funding to initiate more comprehensive and widespread hepatitis B education, prevention, and treatment programs in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 269 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1844 Finance on H.C.R. No. 297**

The purpose of this concurrent resolution is to work toward greater prevention of hepatitis B infection by urging Hawaii's Congressional delegation to seek increased federal funding to initiate more comprehensive and widespread hepatitis B education, prevention, and treatment programs in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 297 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1845 Finance on H.R. No. 277**

The purpose of this resolution is to encourage the University of Hawaii at Manoa (UH-Manoa) to establish a Muslims in Asia Research Institute.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 277, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1846 Finance on H.C.R. No. 305**

The purpose of this concurrent resolution is to encourage the University of Hawaii at Manoa (UH-Manoa) to establish a Muslims in Asia Research Institute.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 305, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1847 Finance on H.R. No. 189**

The purpose of this resolution is to request the Hawaii Sister State Committee to evaluate the feasibility of extending a sister state or province relationship with Lorraine, France.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 189, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1848 Finance on H.C.R. No. 220**

The purpose of this concurrent resolution is to request the Hawaii Sister State Committee to evaluate the feasibility of extending a sister state or province relationship with Lorraine, France.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1849 Finance on H.C.R. No. 223**

The purpose of this concurrent resolution is to ensure quality mental health services by requesting that the Auditor conduct a financial, program, and management audit of the Department of Health's (DOH) community based mental health centers and the Wai'anae Coast Community Mental Health Center, Hale Na'au Pono.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1850 Finance on H.R. No. 212**

The purpose of this resolution is to work toward revising Hawaii's healthcare system to allow for the provision of adequate healthcare for future generations by ensuring that any revisions of the healthcare system in Hawaii incorporate sustainable wellness programs that address the underlying causal factors associated with chronic disease.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 212 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1851 Finance on H.C.R. No. 244**

The purpose of this concurrent resolution is to work toward revising Hawaii's healthcare system to allow for the provision of adequate healthcare for future generations by ensuring that any revisions of the healthcare system in Hawaii incorporate sustainable wellness programs that address the underlying causal factors associated with chronic disease.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 244 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1852 Finance on H.R. No. 219**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to review all boards, commissions, councils, committees, working groups, and task forces to determine which of these can be eliminated.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 219 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1853 Finance on H.C.R. No. 250**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to review all boards, commissions, councils, committees, working groups, and task forces to determine which of these can be eliminated.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1854 Finance on H.R. No. 244**

The purpose of this resolution is to encourage the establishment of a ferry system from the Hoakalei Resort and Marina in Ewa Beach to Downtown Honolulu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 244 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1855 Finance on H.C.R. No. 273**

The purpose of this concurrent resolution is to encourage the establishment of a ferry system from the Hoakalei Resort and Marina in Ewa Beach to Downtown Honolulu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 273 and recommends its adoption.

Signed by all members of the Committee except Representative Sagum.

**SCRep. 1856 Finance on H.R. No. 170**

The purpose of this resolution is to request the Auditor to conduct a management audit of the environmental response tax.

The Department of Taxation opposed this resolution.

Your Committee has amended this resolution by requiring the Department of Taxation to audit the producers of liquid fuel for their compliance in reporting the environmental response tax.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 170, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 170, H.D. 1.

Signed by all members of the Committee except Representatives Har, Sagum, Tokioka and Pine.

**SCRep. 1857 Finance on H.C.R. No. 209**

The purpose of this resolution is to request the Auditor to conduct a management audit of the environmental response tax.

The Department of Taxation opposed this resolution.

Your Committee has amended this resolution by requiring the Department of Taxation to audit the producers of liquid fuel for their compliance in reporting the environmental response tax.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 209, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 209, H.D. 1.

Signed by all members of the Committee except Representatives Har, Sagum, Tokioka and Pine.

**SCRep. 1858 Finance on H.C.R. No. 33**

The purpose of this concurrent resolution is to request the Centers for Medicare and Medicaid Services to consider raising the Medicare fee schedule payment amounts for physicians rendering services in Hawaii.

Prior to hearing this concurrent resolution, your committee circulated a proposed draft that would require the Office of the Auditor to conduct an audit of contracts issued by the Department of Human Services (DHS).

DHS opposed the proposed H.D.1 and the Hawaii Government Employees Association offered comments.

Your Committee has amended this concurrent resolution by replacing its contents with the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 33, H.D. 1.

Signed by all members of the Committee except Representatives Har, Sagum, Tokioka and Pine.

**SCRep. 1859 Human Services on S.C.R. No. 80**

The purpose of this senate concurrent resolution is to urge nonprofit organizations and community groups to establish safety procedures for the roadside solicitation of donations.

A concerned individual provided testimony in support of this measure.

Your Committee finds that the solicitation of roadside donations has increased over the past few years. Many of these instances are "accidents waiting to happen," so a set of safety procedures for this type of solicitation is crucial to protect many of the volunteers that lend their time to collect donations.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Carroll, Nishimoto, Shimabukuro and Yamane.

**SCRep. 1860 Transportation on S.C.R. No. 50**

The purpose of this concurrent resolution is to express legislative support for the Ane Keohokalole highway extension, mid-level road, in the County of Hawai'i.

The Department of Transportation, Hawaii Housing Finance and Development Corporation, Department of Hawaiian Home Lands, County of Hawaii, The Pacific Resource Partnership, and two individuals submitted testimonies in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 50 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Takumi.

**SCRep. 1861 Transportation on S.C.R. No. 109**

The purpose of this concurrent resolution is to encourage the establishment of a ferry system from the Hoakalei resort and marina in Ewa Beach to downtown Honolulu.

The Land Use Research Foundation of Hawaii submitted testimony in support of this measure. An individual submitted comments on behalf of the Leeward Oahu Transportation Management Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Takumi.

**SCRep. 1862 Transportation/Energy & Environmental Protection on S.C.R. No. 126**

The purpose of this concurrent resolution is to express support for the electrification of energy efficient transportation systems in Hawaii.

Better Place Hawaii, Hawaii Automobile Dealers Association and Hawaiian Electric Company, Inc. submitted testimonies in support of this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 126, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Cabanilla, Chang, Har, Ito, Keith-Agaran, Luke, Morita, Saiki and Pine.

**SCRep. 1863      Agriculture on S.C.R. No. 37**

The purpose of this concurrent resolution is to support the long-term viability of organic farming in Hawaii by requesting the Department of Agriculture (DOA) to develop a plan for a state organic program to unify the State's organic certification practices and programs.

Hawaii Cooperative of Organic Farmers supported this measure. DOA and Hawaii Farm Bureau Federation submitted comments.

Similar to this measure, your Committee notes that the purpose of Senate Concurrent Resolution No. 38 is to support the long-term viability of organic farming in Hawaii through the development of a plan to increase aid and assistance for organic farmers. Your Committee respectfully requests the Committee on Finance to consider combining the provisions of S.C.R. No. 38, as amended by this Committee, with the provisions of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Evans and Wakai.

**SCRep. 1864      Agriculture on S.C.R. No. 121**

The purpose of this concurrent resolution is to encourage the procurement of fresh local produce for our schools and healthy eating habits among our students by requesting the University of Hawaii College of Tropical Agriculture and Human Resources, in cooperation with other entities, to convene a working group of stakeholders to consider the feasibility of establishing a farm to school program in Hawaii's public schools.

The Department of Agriculture, Department of Education, Hawaii Association of Independent Schools, Hawaii Farm Bureau Federation, and a concerned individual supported this measure. The University of Hawaii supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the working group develop a draft policy statement on the establishment of a farm to school program in Hawaii's public schools to be included in any reports submitted to the Legislature; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 121, S.D. 1, as amended herein, and recommends that it be referred to the Committees on Higher Education and Education in the form attached hereto as S.C.R. No. 121, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Evans, Tokioka and Wakai.

**SCRep. 1865      Hawaiian Affairs on S.C.R. No. 127**

The purpose of this concurrent resolution is to help promote and protect the rights of indigenous peoples, including native Hawaiians, by urging the President of the United States and the United States Congress to adopt the United Nations Declaration on the Rights of Indigenous Peoples.

The Hawaiian Political Action Council of Hawaii and several concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Nishimoto and Yamane.

**SCRep. 1866      Agriculture on S.C.R. No. 38**

The purpose of this concurrent resolution is to ensure the long-term viability of organic farming in Hawaii by urging the Department of Agriculture (DOA) to develop a plan for increasing aid and assistance to organic farmers.

Hawaii Cooperative of Organic Farmers, Hawaii Farm Bureau Federation, and Hawaii Organic Farmers Association (HOFA) supported this measure. DOA submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the plan address increasing aid and assistance to certified organic farmers;
- (2) Changing its title to read as follows: "URGING THE DEVELOPMENT OF A PLAN FOR INCREASING AID AND ASSISTANCE TO CERTIFIED ORGANIC FARMERS";

- (3) Adding HOFA to the list of entities that DOA is urged to increase cooperation with; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 38, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Evans, Tokioka and Wakai.

**SCRep. 1867      Agriculture on H.R. No. 134**

The purpose of this resolution is to request the University of Hawaii College of Tropical Agriculture and Human Resources, in consultation with the Office of Hawaiian Affairs (OHA), to study the feasibility of planting kalo in the reflecting pools that surround the State Capitol building.

OHA and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 134, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Evans, Tokioka and Wakai.

**SCRep. 1868      Agriculture/Economic Revitalization, Business, & Military Affairs on S.C.R. No. 72**

The purpose of this concurrent resolution is to request the U.S. Department of Agriculture (USDA) and the U.S. Department of Homeland Security to collaborate and share information with the Department of Agriculture (DOA) to prevent invasive species from entering the state.

DOA, Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Audubon Society, and Nature Conservancy of Hawaii supported this measure.

Your Committees have amended this measure by:

- (1) Requesting the USDA, as part of the invasive species prevention efforts, to enter into a cooperative agreement with DOA as authorized under Section 10201 of the Food, Conservation, and Energy Act of 2006; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 72, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 72, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Evans, Wakai and Ward.

**SCRep. 1869      Transportation on S.C.R. No. 119**

The purpose of this concurrent resolution is to recognize the importance of bicycling and that Hawaii residents are encouraged to ride bicycles for transportation as well as recreation.

The Department of Transportation, County of Hawaii Corporation Counsel, Hawaii Bicycling League, Lahaina Bypass Now and an individual submitted testimonies in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 119 and recommends its adoption.

Signed by all members of the Committee except Representatives Keith-Agaran, Saiki and Takumi.

**SCRep. 1870      Hawaiian Affairs on S.C.R. No. 66**

The purpose of this concurrent resolution is to recognize the work and achievements of Prince Jonah Kuhio Kalaniana'ole by requesting the United States Postal Service to issue a commemorative stamp in his honor.

The Office of Hawaiian Affairs and Friends of Iolani Palace supported this concurrent resolution. The Hawaiian Political Action Council of Hawaii and several concerned individuals opposed this concurrent resolution.

While the issuance of a commemorative stamp would help educate others about one of the many great leaders Hawaii has given rise to, your Committee acknowledges the concerns of several testifiers that to do so may perpetuate the past and future Americanization of Hawaiian culture.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Nishimoto and Yamane.

**SCRep. 1871      Housing on S.C.R. No. 81**

The purpose of this concurrent resolution is to request the Hawaii Housing Finance and Development Corporation (HHFDC) to:



- (1) Review the feasibility of developing single-room occupancy dwellings in transit-oriented development projects to alleviate the affordable housing shortage; and
- (2) Report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2010, including the impact on transit-oriented development projects, costs, target beneficiaries, and short-term and long-term effects, and sustainability.

The Office of Hawaiian Affairs supported this concurrent resolution. HHFDC supported the intent of this measure. The Honolulu Department of Planning and Permitting offered comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Chang, Har, Herkes, C. Lee and Morita.

**SCRep. 1872 Consumer Protection & Commerce on S.C.R. No. 45**

The purpose of this concurrent resolution is to request that the Auditor conduct an analysis of the probable effects of the registration of professional employer organizations as proposed under S.B. 1062, as introduced in the Regular Session of 2009.

The Department of Commerce and Consumer Affairs' Professional and Vocational Licensing Division submitted testimony in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, McKelvey and Thielen.

**SCRep. 1873 Consumer Protection & Commerce on S.C.R. No. 53**

The purpose of this concurrent resolution is to request that the Auditor perform a sunrise review of real estate appraisal management companies and assess whether the enactment of the regulatory measure contained in S.B. No. 1606 is consistent with the policies set forth in section 26H-2, Hawaii Revised Statutes.

The Real Estate Commission and the Hawaii Association of Realtors submitted testimony in support. The Appraisal Institute, Hastings, Conboy, Braig & Associates, Ltd., John Child & Company, and ACM Consultants, Inc. submitted testimony with comments on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, McKelvey and Thielen.

**SCRep. 1874 Labor & Public Employment on S.C.R. No. 64**

The purpose of this resolution is to request repricing reviews be submitted to the Legislature and the appropriate bargaining units, to which the repricing reviews pertain, prior to the convening of the regular 2010 Regular Session.

The Hawaii Government Employees Association supported this measure. The Judiciary of the State of Hawaii and Department of Personnel Services of the County of Kauai opposed this measure. The Department of Human Resources Development of the State of Hawaii, Department of Human Resources of the City and County of Honolulu, Department of Personnel Services of the County of Maui and Department Human Resources of the County of Hawaii submitted comments

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi and Pine.

**SCRep. 1875 Higher Education on S.C.R. No. 51**

The purpose of this measure is to urge the Candidate Advisory Council for the Board of Regents to:

- (1) Convene a working group of students to develop and implement a modified process for the selection of the candidates for the student member of the University of Hawaii Board of Regents;
- (2) Establish a process to ensure student involvement in the recruitment and evaluation of candidates for the student member of the Board of Regents prior to submission of the candidate pool to the Governor;
- (3) Include in the working group representatives from each campus, the University of Hawaii Student Caucus, the Associated Students of the University of Hawaii, and other student organizations as may be appropriate; and
- (4) Report its findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was received from the Associated Students of the University of Hawaii (UH) Honolulu Community College and UH Associated Students of Kapiolani Community College Student Congress. The UH Regents Candidate Advisory Council opposed this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Manahan, Saiki, Takumi and Yamane.

**SCRep. 1876 Education on S.C.R. No. 84**

The purpose of this measure is to request the State Auditor to conduct an immediate financial statement audit of the Waters of Life Public Charter School for fiscal years 2006-2007 and 2007-2008.

The Charter School Review Panel testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Manahan, Saiki, Takumi and Yamane.

**SCRep. 1877 Education on S.C.R. No. 146**

The purpose of this measure is to request the Hawaii P-20 Partnerships for Education to:

- (1) Convene the appropriate agencies to examine current and emerging programs seeking to track student progress and develop a longitudinal data system for students beginning in early childhood programs to grade twelve, and beyond to higher education and the workforce;
- (2) Establish a data sharing agreement to support a longitudinal data system and to meet requirements of the American Recovery and Reinvestment Act of 2009; and
- (3) Report its findings and recommendations to the 2011 Legislature, including the status of a state longitudinal data system, and a timeline and resources needed to develop, implement, maintain, and use a state longitudinal data system.

The Department of Education, Department of Business, Economic Development, and Tourism, Hawaii P-20, University of Hawaii System, and the Hawaii Business Roundtable testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Manahan, Saiki, Takumi and Yamane.

**SCRep. 1878 Education on S.C.R. No. 150**

The purpose of this measure is to urge the Superintendent of Education to establish and facilitate a Special Education Private School Task Force, which shall cease to exist on June 30, 2011, to:

- (1) Advise the Department of Education on policies or procedures for oversight and monitoring of private school or facility placements;
- (2) Review data collected by the Department regarding oversight and monitoring;
- (3) Advise the Department on efforts to improve and streamline oversight and monitoring; and
- (4) Report its findings and recommendations to the 2011 Legislature.

The Department of Education, State Council on Developmental Disabilities, Hawaii Association of Independent Schools, Special Education Advisory Council, and the Community Children's Council of Hawaii testified in support of this measure. Several concerned citizens supported the intent of this measure. The Autism Society of Hawaii, Hawaii Centers for Independent Living, and several concerned citizens supported this measure with amendments. The Hawaii Disability Rights Center and a concerned citizen offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 150, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Manahan, Saiki, Takumi and Yamane.

**SCRep. 1879 Housing on S.C.R. No. 87**

The purpose of this concurrent resolution is to urge the Hawaii Housing Finance and Development Corporation (HHFDC) to convene a task force to:

- (1) Review state and county affordable housing approval requirements and procedures;
- (2) Identify, in consultation with other state and county agencies, county legislative bodies, private developers, and nonprofit housing organizations, core affordable housing approval procedures for each county; and
- (3) Report its findings and recommendations, including any proposed state or county legislation, to the Legislature prior to the convening of the Regular Session of 2010.

The Office of Hawaiian Affairs supported this concurrent resolution. HHFDC and the Land Use Research Foundation of Hawaii supported the intent of this measure. The Honolulu Department of Planning and Permitting offered comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 87, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Har, Herkes, C. Lee and Morita.

**SCRep. 1880          Housing on S.C.R. No. 174**

The purpose of this concurrent resolution is to request Fannie Mae and Freddie Mac to allow special reconsideration for a pricing and policies exception to the Hawaii real estate market and for first-time homebuyers with regard to loans delivered on Hawaii condominiums.

The Hawaii Bankers Association, Hawaii Credit Union League, Hawaii HomeOwnership Center, Hawaii Association of REALTORS, and Mortgage Bankers Association of Hawaii supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 174, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Herkes, C. Lee and Morita.

**SCRep. 1881          Housing on S.C.R. No. 31**

The purpose of this concurrent resolution is to request the Auditor to conduct a review of the performance of the management of Puuwai Momi and West Oahu Asset Management Projects to compare the performance of state-operated and privately-operated public housing properties, and to determine the relative contributions of funding levels, mismanagement, and tenant and visitor actions to the failure to meet performance standards for these properties.

A concerned individual supported this concurrent resolution. The Hawaii Public Housing Authority (HPHA) opposed this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Replacing its contents with the substance of H.C.R. No. 94, H.D. 1;
- (2) Changing its title to, "REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AND FINANCIAL AUDIT OF THE HAWAII PUBLIC HOUSING AUTHORITY'S MAINTENANCE CONTRACTS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As amended, this concurrent resolution requests the Auditor to conduct a management and financial audit of HPHA's maintenance contracts.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 31, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, C. Lee and Morita.

**SCRep. 1882          Health on S.C.R. No. 77**

The purpose of this concurrent resolution is to honor the life, work, and accomplishments of Representative Robert H. "Bob" Nakasone by requesting that one of the Maui medical facilities be named in his honor.

A member of the Maui County Council and several concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Carroll and Finnegan.

**SCRep. 1883          Finance on S.C.R. No. 7**

The purpose of this resolution is to request the President of the Senate, the Speaker of the House of Representatives, and the Governor to create a Home for Life Task Force to reduce barriers to aging in place and to facilitate multigenerational living.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Hawaii Chapter American Physical Therapy Association, Occupational Therapy Association of Hawaii, and several concerned individuals supported this resolution.

Your Committee suggests adding the Occupational Therapy Association of Hawaii, which is an affiliate of the American Occupational Therapy Association as an additional member of the Home for Life Task Force.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1884          Finance on S.C.R. No. 30**

The purpose of this resolution is to request the Department of Education to conduct a feasibility study on converting hard cover text books to e-books for use in public schools.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1885 Finance on S.C.R. No. 38**

The purpose of this resolution is to urge the development of a plan for increasing aid and assistance to certified organic farmers.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1886 Finance on S.C.R. No. 50**

The purpose of this resolution is to express legislative support for the Ane Keohokalole Highway extension, mid-level road, in the County of Hawai'i.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 50 and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1887 Finance on S.C.R. No. 52**

The purpose of this resolution is to request that the Hookakoo Corporation report on the progress and impacts of the models for expanded learning time being piloted by the Hookakoo Corporation's partner conversion charter schools.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 52, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1888 Finance on S.C.R. No. 62**

The purpose of this resolution is to strongly urge the United States Department of the Interior and the United States Congress to provide additional federal aid to the State of Hawai'i for the provision of various State services to migrants from the Compact of Free Association Nations.

The Hawaii Government Employees Association supported this resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1889 Finance on S.C.R. No. 109**

The purpose of this resolution is to encourage the establishment of a ferry system from the Hoakalei Resort and Marina in Ewa Beach to Downtown Honolulu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109 and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1890 Finance on S.C.R. No. 126**

The purpose of this resolution is to express support for the electrification of energy efficient transportation systems in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Har.

**SCRep. 1891 Finance on S.C.R. No. 188**

The purpose of this resolution is to request the Governor to accept the recommendations of the working group formed by Hawaii's Congressional Delegation to determine the most appropriate uses of State fiscal stabilization fund moneys, and authorize the expenditure of State fiscal stabilization fund moneys in accordance with the recommendations of the working group.

The Department of Education, Hawaii State Teachers Association, and several concerned individuals supported this resolution.

Your Committee amended this resolution as follows:

- (1) Deleted the references to Part B from the proposal for State fiscal stabilization funds; and

- (2) Added the Congressional delegation and the United States Secretary of Education to the list of whom certified copies be transmitted.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188, S.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 188, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Har.

**SCRep. 1892 Health on S.C.R. No. 170**

The purpose of this concurrent resolution is to help determine best practices in health care by supporting the convening of a Hawaii Health Care Summit to develop a strategic and comprehensive plan for health care in Hawaii.

The Hawaii Primary Care Association, Hawaii Association of Health Plans, Hawaii Medical Service Association, Healthcare Association of Hawaii, and American Cancer Society Hawaii Pacific Inc. supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Carroll and Finnegan.

**SCRep. 1893 Health on S.C.R. No. 56**

The purpose of this concurrent resolution is to expand education regarding the causes, cures and prevention of cervical cancer by requesting that the Department of Health expand its educational programs to increase cervical screening and awareness for both men and women.

The American Cancer Society and the Hawaii Medical Service Association supported this concurrent resolution. The Department of Health supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Carroll and Finnegan.

**SCRep. 1894 Health on S.C.R. No. 167**

The purpose of this concurrent resolution is to initiate steps for Hawaii to be one of the first states to apply for federal health information technology grant funding by urging the appropriate state departments, the health care community, and the technology community to work together to ensure that Hawaii is able to rapidly respond and qualify for grant money offered in the American Recovery and Reinvestment Act of 2009 for health care technology.

The Healthcare Association of Hawaii, Hawaii Primary Care Association, and Hawaii Medical Service Association supported this concurrent resolution. The Department of Health submitted comments.

Your Committee has amended this concurrent resolution by replacing its contents. As amended, this measure:

- (1) Expresses support for the St. Francis Healthcare System of Hawaii's plan for the post-bankruptcy proceedings of the Hawaii Medical Center (HMC); and
- (2) Changes the title to: "SUPPORTING THE ST. FRANCIS HEALTHCARE SYSTEM OF HAWAII'S PLAN FOR THE POST-BANKRUPTCY PROCEEDINGS OF THE HAWAII MEDICAL CENTER."

HMC submitted comments addressing the proposed amendments to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 167, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Carroll and Finnegan.

**SCRep. 1895 Housing on S.C.R. No. 39**

The purpose of this concurrent resolution is to urge the Governor to include the Kukui Gardens affordable housing project in the State's list of shovel-ready projects for the President's proposed economic stimulus plan.

FACE – Faith in Action for Community Equity supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Herkes, C. Lee and Morita.

**SCRep. 1896 Housing on S.C.R. No. 88**

The purpose of this concurrent resolution is to urge the Hawaii Housing Finance and Development Corporation (HHFDC) to establish a Transit Oriented Development Task Force to facilitate mixed-income and affordable housing in transit-oriented development by better coordinating transportation and housing planning and programs.

The Office of Hawaiian Affairs supported this concurrent resolution. HHFDC and the Hawaii Association of REALTORS supported the intent of this measure. The Honolulu Department of Planning and Permitting offered comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 88, S.D. 1, and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Chang, Har, Herkes, C. Lee and Morita.

**SCRep. 1897 Human Services on S.C.R. No. 90**

The purpose of this concurrent resolution is to urge the United States Congress to:

- (1) oppose specified proposed rule amendments that implement the Developmental Disabilities Assistance and Bill of Rights Act of 2000;
- (2) support new sections in the upcoming reauthorization.

Testimony in support of this concurrent resolution was submitted by a few concerned individuals.

Comments were submitted by the Hawaii Disability Rights Center.

Your Committee acknowledges the concerns expressed by the Hawaii Disability Rights Center. The Hawaii Disability Rights Center states that the resolution misconstrues the proposed regulations in the following respects:

- (1) The only increase in the P&A's discretion to the act in cases of abuse would be to investigate significant financial exploitation that may prevent a disabled individual from obtaining food and shelter;
- (2) The P&A could investigate cases where an individual's health and safety is in serious and immediate danger;
- (3) While the P&A would decide in the first instance whether it has probable cause, the rules would not affect the authority of courts to review the P&A's determination and to decide whether probable cause exists;
- (4) The P&A could obtain confidential records without first seeking the consent of guardians and legal representatives only in cases of death or where there is cause to believe an individual is in serious or immediate jeopardy;
- (5) The proposed federal rules would provide clear authority to the P&A to report information to government agencies in cases of abuse, neglect, or serious jeopardy to an individual's health or safety, and where an individual who has died is believed to be developmentally disabled;
- (6) Procedures for re-designating the P&A are not changed in any substantive way.

However, taking into account the aforementioned comments, your Committee still feels the need to urge Congress to oppose the proposed amendments to the Developmental Disabilities Assistance and Bill of Rights Act of 2000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane and Ward.

**SCRep. 1898 Human Services on S.C.R. No. 105**

The purpose of this concurrent resolution is to urge public and private agencies to encourage their parent clients to turn on closed captioning when their children watch television.

The Department of Education submitted testimony in opposition to this measure. A concerned individual testified in support of this measure.

Your Committee finds that two-thirds of infants, toddlers, and children under the age of six spend an average of two hours watching television a day, while teenagers aged seven to eighteen years of age spend an average of four hours watching television each day. Further, your Committee also finds that captions help children establish a systematic link between the written word and the spoken word. By turning on captions while children are watching television, we are thereby encouraging our children to read more.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane and Ward.

**SCRep. 1899 Finance on S.C.R. No. 78**

The purpose of this resolution is to authorize the issuance of a term, non-exclusive easement covering a portion of State submerged lands seaward of tax map key: (2) 4-3-2: 27, at Kaanapali, Maui, for concrete pier block remnants purposes.

The Department of Land and Natural Resources and a concerned individual supported this resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Brower, Har, Yamashita and Ward.

**SCRep. 1900 Human Services on S.C.R. No. 143**

The purpose of this concurrent resolution is to support the concept of establishing a Big Island Juvenile Intake and Assessment Center.

The Department of Human Services, the Office of the Prosecuting Attorney, and the Mayor of Maui county all submitted testimony in support of this measure.

Your Committee finds that a Juvenile Intake and Assessment Center will fill a gap in current juvenile justice services. A survey of Big Island police in 2006 found that officers often do not have good options when dealing with arrested juveniles who need supervision. Further, your Committee also finds that a Juvenile Intake and Assessment Center would benefit law enforcement, the courts, youth-serving agencies, the general public, and above all, youth and their families. A Juvenile Intake and Assessment Center will be nothing but beneficial to this State.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, Yamane and Ward.

**SCRep. 1901 Judiciary on S.C.R. No. 89**

The purpose of this concurrent resolution is to help protect the health and welfare of the community by:

- (1) Requesting the Department of Health's (DOH) Clean Water Branch and Solid and Hazardous Waste Branch, the Honolulu Police Department (HPD), and the departments of Environmental Services and Planning and Permitting of the City and County of Honolulu to investigate illegal dumping and illegal structures along Laumaile Street in Kalihi and to coordinate activities related to the cleanup; prevention of pollution; and enforcement of pollution, anti-dumping, and other applicable laws in the area; and
- (2) Requesting the Director of Health, Chief of HPD, and Director of the Department of Environmental Services to jointly report on the measures taken to address illegal dumping and illegal structures in the Laumaile Street area and to report their findings to the Legislature no later than 20 days before the convening of the Regular Session of 2010.

DOH testified in support of this measure. HPD submitted comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Luke, McKelvey, Mizuno, Morita, Souki and Wakai.

**SCRep. 1902 Legislative Management on S.C.R. No. 132**

The purpose of this measure is to request the Senate President and the Speaker of the House of Representatives to establish a task force to determine the economic value of construction in Hawaii.

The Pacific Resource Partnership testified in strong support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1903 Hawaiian Affairs on H.R. No. 202**

The purpose of this resolution is to lay the groundwork for a democratic process of deciding native Hawaiian self-governance by requesting the Governor, the Office of Hawaiian Affairs (OHA), and the Department of Hawaiian Home Lands (DHHL) to organize and convene a conference to begin discussions relating to holding a Hawaiian constitutional convention.

The Association of Hawaiian Civic Clubs supported this measure with amendments. The Department of Hawaiian Home Lands supported the intent of this measure. The Royal Order of Kamehameha, Nation of Hawaii, and several concerned individuals opposed this measure.

Your Committee has amended this resolution according to the issues upon which all testifiers agree, by:

- (1) Removing language requiring the conference to be organized and convened by the Governor, OHA, and DHHL;
- (2) Providing that the Legislature supports the efforts of the Hawaiian community to organize and convene a conference;
- (3) Providing that the membership of any conference is to be determined by the Hawaiian community;
- (4) Urging the Governor, OHA, and DHHL, to identify a means of providing some financial support to the Hawaiian community that will ensure the opportunity for full discussion and consideration of issues critical to the self-governance of the native Hawaiian people;
- (5) Amending its title to read: "HOUSE RESOLUTION SUPPORTING EFFORTS BY THE HAWAIIAN COMMUNITY TO ORGANIZE AND CONVENE A CONFERENCE TO BEGIN DISCUSSIONS FOR A NATIVE HAWAIIAN SELF GOVERNANCE AND RECONCILIATION PROCESS"; and
- (6) Making a technical, nonsubstantive amendment for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 202, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 202, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Yamane.

**SCRep. 1904      Tourism, Culture, & International Affairs on S.C.R. No. 183**

The purpose of this concurrent resolution is to urge full preservation of the World War II Honouliuli internment camp as a national monument, museum, and memorial park for the State of Hawaii.

Testimony in support of this concurrent resolution was submitted by the Japanese Cultural Center of Hawaii and two concerned individuals. Comments on this concurrent resolution were submitted by the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 183, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Wakai and Marumoto.

**SCRep. 1905      Tourism, Culture, & International Affairs on S.C.R. No. 138**

The purpose of this concurrent resolution is to honor the historical importance of the Falls of Clyde in Hawaii's maritime history by requesting the State to recognize it as a sailing symbol of Hawaii.

Testimony concurring with the purpose of this concurrent resolution was submitted by the Department of Land and Natural Resources. Testimony in support of this concurrent resolution was submitted by The Caledonian Society of Hawaii and the Friends of Falls of Clyde.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 138, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Wakai and Marumoto.

**SCRep. 1906      Tourism, Culture, & International Affairs on S.C.R. No. 152**

The purpose of this concurrent resolution is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific, and Cultural Organization for World Heritage Site designation.

Testimony in support of the intent of this concurrent resolution was submitted by the Department of Land and Natural Resources. Testimony in support of this concurrent resolution was submitted by Iolani Palace. Two concerned individuals opposed this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 152, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Wakai and Marumoto.