

Conf. Com. Rep. 1 on H.B. No. 1741

The purpose of this bill is to:

- (1) Increase the rate of the conveyance tax on all transfers or conveyances of properties with a value of \$2,000,000 or more and second house purchases; and
- (2) Reduce for a three-year period the distribution of amounts of the conveyance tax into the Land Conservation Fund, Rental Housing Trust Fund, and Natural Area Reserve Fund.

Your Committee on Conference has amended this bill by:

- (1) Retaining the current distribution of amounts of the conveyance tax for the Land Conservation Fund; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1741, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1741, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

Senators Kim, Galuteria and Kokubun.
Managers on the part of the Senate.

Conf. Com. Rep. 2 on H.B. No. 1747

The purpose of this bill is to amend State tax law by:

- (1) Increasing State income tax rates for high income earners, applying to taxable years beginning after December 31, 2008;
- (2) Increasing the standard deduction amount and the allowable personal exemption amount, applying to taxable years beginning after December 31, 2010; and
- (3) Increasing the amount of the personal deduction by 10 percent.

All of the provisions in this bill will be repealed on December 31, 2015.

Your Committee has amended this bill by adjusting the taxable income and tax base amounts for the new tax rates of 9, 10, and 11 percent for:

- (1) Joint filers with incomes in excess of \$300,000;
- (2) Head of household filers with incomes in excess of \$225,000; and
- (3) Single filers with incomes in excess of \$150,000.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1747, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1747, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

Senators Kim, Galuteria and Kokubun.
Managers on the part of the Senate.

Conf. Com. Rep. 3 on H.B. No. 1175

The purpose of this bill is to:

- (1) Increase the per-cigarette tax from ten cents to 13 cents; and
- (2) Deposit an unspecified percentage of the remaining portion of the per-cigarette tax into the Hawaii Tobacco Prevention and Control Trust Fund (Trust Fund).

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

- (1) Increasing the per-cigarette tax as follows:
 - (A) From 11 cents to 13 cents beginning on July 1, 2009;
 - (B) From 12 cents to 14 cents beginning on July 1, 2010; and
 - (C) From 13 cents to 15 cents beginning on July 1, 2011;

- (2) Removing provisions that would have deposited a percentage of the remaining portion of the per-cigarette tax into the Trust Fund;
- (3) Changing the effective date to June 30, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1175, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1175, H.D. 3, S.D. 2, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

Senators Ige, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 4 on H.B. No. 895

The purpose of this bill is to increase deterrents against the use of tobacco products other than cigarettes, including smokeless tobacco, snuff, cigars, and pipe tobacco and ensure funding for health care programs by:

- (1) Increasing the tobacco tax on the wholesale price of tobacco products other than cigarettes from 40 percent to 60 percent in 2009; 70 percent in 2010; and 90 percent in 2011; and
- (2) Depositing unspecified percentages of the taxes collected into the Community Health Centers Special Fund, the Health Systems Special Fund, and the Hawaii Tobacco Prevention and Control Trust Fund.

Your Committee on Conference has amended this bill by:

- (1) Providing a definition of the term "little cigar";
- (2) Establishing an excise tax of 11 cents for each little cigar sold, used, or possessed by a wholesaler or dealer on and after October 1, 2009; 12 cents on and after September 30, 2010; and 13 cents on and after September 30, 2011;
- (3) Establishing an increase of the tobacco tax on tobacco products other than certain sized cigars, little cigars, and cigarettes from 40 percent to 70 percent beginning on September 30, 2009;
- (4) Increasing the tobacco tax on cigars with a ring gauge of 30 or more (.467 inches in diameter or more), of any length, from 40 percent to 50 percent beginning on September 30, 2009;
- (5) Providing that 100 percent of the increase in funds collected will be deposited in the general fund;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

Senators Ige, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 5 on H.B. No. 1739

The purpose of this bill is to deter tax fraud and promote uniformity in the state tax system by, among other things:

- (1) Stipulating circumstances under which a tax preparer may be required to pay a fine for understatement of liability based on unreasonable positions in a tax return or claim for a tax refund;
- (2) Stipulating the circumstances under which a person commits the offense of promoting an abusive tax shelter and the penalties for such a violation;
- (3) Establishing penalties for erroneous claims for refunds or credits;
- (4) Establishing penalties for underpayments of taxes attributable to any substantial understatement of any tax amounts in a taxable year;
- (5) Establishing statute of limitation provisions and extension provisions for substantial omissions on tax amount information;
- (6) Stipulating that the burden of proof for the issue of falsity or fraud and intent to evade tax shall be placed upon the government;
- (7) Providing for an expedited administrative appeals process;
- (8) Stipulating that the fact that an individual's name is signed on a return, statement, or other document shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by the individual;

- (9) Authorizing the Department of Taxation (DOTAX) to undertake temporary rulemaking;
- (10) Making documents submitted to a tax district board of review public information; and
- (11) Establishing penalties for the wilful failure to collect, account for, and pay over taxes.

Your Committee on Conference has amended this bill by:

- (1) Allowing the following taxes to be collected by levy or by a proceeding in court within 15 years after the assessment of the tax if the assessment of the tax was imposed within the three-year period of limitation established by law:
 - (A) Income Tax;
 - (B) General Excise Tax;
 - (C) Transient Accommodations Tax;
 - (D) Use Tax;
 - (E) Fuel Tax;
 - (F) Conveyance Tax;
 - (G) Rental Motor Vehicle and Tour Vehicle Surcharge Tax;
 - (H) Nursing Facility Tax; and
 - (I) Insurance Premium tax;
- (2) Requiring that the limitation on collection after the assessment of the abovementioned taxes be suspended for certain periods;
- (3) Authorizing DOTAX to implement an administrative appeals and dispute resolution program to expeditiously resolve all tax, penalty, interest, fine, assessment, and other disputes between DOTAX and taxpayers or return preparers;
- (4) Establishing certain procedures for the appeals and dispute resolution program process and requiring DOTAX to adopt other procedures necessary to implement the appeals and dispute resolution program;
- (5) Requiring DOTAX to implement rules providing examples and safe harbors to explain in clear and unambiguous terms the penalties and fines provided under Hawaii's tax laws that may be imposed against a return preparer or taxpayer for understatement of tax liabilities, promotion of abusive tax shelters, erroneous claims for refund or credit, or substantial understatements or misstatements of tax;
- (6) Stipulating that any and all advice given, or communications made by DOTAX, including but not limited to letter rulings, and determination letters, containing tax advice shall be disclosed to the public under standards and procedures under Section 6110 of the federal Internal Revenue Code of 1986, as amended;
- (7) Requiring that DOTAX provide a taxpayer with a closing audit letter at the conclusion of a tax audit that will confirm, in writing, the department's position on each issue considered in the audit and will provide guidance on how the taxpayer may report these issues for post audit years; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1739, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1739, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 6 on H.B. No. 1422

The purpose of this bill is to allow counties to remove abandoned motor vehicles from private roads. Specifically, this measure:

- (1) Considers a vehicle on a private road to be unlawfully parked if:
 - (A) The vehicle is inoperable; and
 - (B) The owner of the private road requests in writing the removal of a vehicle;
- (2) Requires the owner of the private road who requests vehicle removal to pay for the removal; and
- (3) Deems 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.

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 owner of the road. Since abandoned vehicles often pose a health and safety hazard to the community, your Committee on Conference finds that removal of these vehicles is in the best interest of public health and safety.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009;
- (2) Changing the sunset date to January 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1422, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1422, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Karamatsu and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 7 on H.B. No. 1057

The purpose of this bill is to support investment in a child's future by allowing third parties to make contributions directly into a State-established HI529 college savings account for a designated beneficiary.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1057, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1057, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, C. Lee, Nakashima and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 8 on H.B. No. 876

The purpose of this bill is to improve condominium operations by, among other things:

- (1) Increasing to \$3,600 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 or residents requiring services for independent living where residents' actions or non-actions pose a risk to their own health or safety, or that of others.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 876, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 876, H.D. 1, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 9 on H.B. No. 632

The purpose of this bill is to ensure representation of women veterans' interests on the Policy Advisory Board on Veterans' Services (Board) by requiring three members of the Board to be women.

The Board advises the Director of the Office of Veterans' Services by identifying and developing positions on veterans' issues, and assisting in advocacy, legislative actions, and program development and operations. This bill will strengthen women's voice on the Board.

Your Committee on Conference has amended this bill by:

- (1) Requiring that "at least" three members of the Board to be women; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 632, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 632, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 10 on H.B. No. 615

The purpose of this bill is to clarify the offense of harassment and the offense of harassment by stalking by including any form of electronic communication within the scope of the offenses.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 615, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 615, H.D. 1, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 11 on H.B. No. 590

The purpose of this bill is to expedite the processing and approval or denial of any permit plan application for the siting, development, construction, and operation of a renewable energy facility by:

- (1) Requiring the permitting agency to provide to the energy resources coordinator its report identifying diligent measures being taken to complete permit processing within 30 days if a completed permit plan application has not been approved or denied within 12 months after approval of the application by the coordinator; and
- (2) Authorizing the energy resources coordinator to deem a permit approved if no further processing and action are reported by the permitting agency within five months following the end of the 30-day agency report period.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 590, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 590, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, Morita, Coffman, Har and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Gabbard, English, Taniguchi, Green and Hemmings.
Managers on the part of the Senate.
(Senators Taniguchi and Hemmings were excused.)

Conf. Com. Rep. 12 on H.B. No. 1071

The purpose of this bill is to establish with the Commissioner of Financial Institutions, a system to license and regulate servicers of residential mortgage loans secured by real property located in Hawaii.

Your Committee on Conference has amended this bill by making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1071, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1071, H.D. 3, S.D. 2, C.D. 1.

Representatives Cabanilla, Herkes, Sagum, Chong, Souki and Marumoto.
Managers on the part of the House.
(Representatives Chong and Souki were excused.)

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

(Senator Hemmings was excused.)

Conf. Com. Rep. 13 on H.B. No. 1351

The purpose of this bill is to allow owners of neighboring agricultural lands to establish private agricultural parks, registered with the Department of Agriculture, to reduce shared costs. This bill also specifies permitted activities within the private agricultural park.

Your Committee on Conference has amended this measure by:

- (1) Requiring each private agricultural park to file an annual report with the Chairperson of the Board of Agriculture;
- (2) Requiring that each annual report include an affidavit that electricity generated and distributed within the private agricultural park was used solely for agricultural purposes within the park;
- (3) Making it effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1351, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1351, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 14 on H.B. No. 589

The purpose of this bill is to facilitate the financing and development of renewable energy projects by exempting from subdivision requirements, certain leases and easements for renewable energy projects, together with other security instruments for the financing of these projects. The provisions authorizing the exemption sunset on July 1, 2013.

Your Committee on Conference has amended this bill by:

- (1) Noting in the purpose section the possibility of facilitating projects to promote energy self-sufficiency, while protecting the integrity of state and county laws and their purposes;
- (2) Including within the exemption from the subdivision requirements, the appurtenances associated with the production and transmission of wind-generated energy, not just necessary appurtenances;
- (3) In applying for exemption from the subdivision requirements, requiring the developer of the project and the owner of the land on which the project lies, to submit to the appropriate agency:
 - (A) Either conceptual schematics or preliminary plans and specifications for the project; and
 - (B) A certification and agreement that all applicable and appropriate environmental reviews and permitting shall be completed prior to the commencement of the development of the project;
- (4) Making any material change after June 30, 2013, regarding the leased land or easement area subject to the subdivision requirements;
- (5) Defining "material change" as any material change affecting the location, size, boundaries, or configuration of the leased land or the easement area that would require approval under the subdivision requirements;
- (6) Changing the sunset date to July 1, 2013; and
- (7) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 589, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 589, H.D. 1, S.D. 2, C.D. 1.

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

Senators Gabbard, English, Hee, Green, Kokubun and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 15 on H.B. No. 1045

The purpose of this bill is to make necessary housekeeping amendments to Chapter 201H, Hawaii Revised Statutes. Specifically, this bill:

- (1) Authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to modify terms, plans, specifications, and other matters relating to projects previously approved by HHFDC;
- (2) Authorizes HHFDC to establish and collect fees for certain administrative expenses incurred by HHFDC; and

- (3) Makes other technical, nonsubstantive changes to conform to the statutorily defined terms.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1045, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1045, H.D. 1, S.D. 2, C.D. 1.

Representatives Cabanilla, Sagum, Chong and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

Senators Sakamoto, Tsutsui, Galuteria, Kidani and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 16 on H.B. No. 975

The purpose of this bill is to allow the Agribusiness Development Corporation 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.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 975, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 975, H.D. 1, S.D. 1, C.D. 1.

Representatives Tsuji, Ito, Wooley and Marumoto.
Managers on the part of the House.
(Representative Marumoto was excused.)

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

Conf. Com. Rep. 17 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 PSD for inmate expenses during incarceration and upon release; and
- (2) Exempt payment of interest on the accounts maintained by PSD.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1.

Representatives Hanohano, M. Lee, Aquino and Pine.
Managers on the part of the House.
(Representative Aquino was excused.)

Senators Espero, Tsutsui and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 18 on H.B. No. 618

The purpose of this bill is to enact the Uniform Prudent Management of Institutional Funds Act to conform the law governing the spending of charitable endowment funds with modern investment and expenditure practices.

Your Committee on Conference finds that Hawaii law prohibits charities from expending endowment funds that fall below the principal of the endowment (historic dollar value). However, under current economic conditions, many endowments may be below their historic dollar value, preventing charities from funding their various programs.

Under this bill, allowable endowment fund expenditures are based upon the value of the fund's entire portfolio, rather than its historic dollar value. This improves the ability of charities to address fluctuations in the value of the endowment.

This bill also streamlines the process for releasing restrictions on the management, investment, or purpose of endowment funds that do not exceed certain value thresholds. Charities will be able to release these restrictions without court approval if the value of the fund is below \$250,000 and after obtaining the Attorney General's consent. For funds with a value of less than \$50,000, the charity may release restrictions without court approval after providing notice to the Attorney General.

Your Committee on Conference has amended this bill by:

- (1) Specifying that this bill applies to charitable funds existing on or established after July 1, 2009, the effective date of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 618, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 618, S.D. 2, C.D. 1.

Representatives Herkes, Karamatsu, Keith-Agaran and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 19 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 every contract for a public works project, to which a government contracting agency is a party, include in the contract a provision that a certified copy of a fringe benefit reporting form is to be submitted weekly to the governmental contracting agency for review.

Currently, proving that fringe benefit wages were not paid is difficult for an employee as there is no itemized listing of payments of fringe benefit wages on payroll records. At present, employers are only required to check a box indicating that they are in compliance with the payment of fringe benefit wages required under Chapter 104, Hawaii Revised Statutes. By requiring the itemization of these payments, compliance with rules regarding the payment of fringe benefits will be ensured.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that fringe benefits may be reported on any certified form that includes the required fringe benefit reporting information, in lieu of a form supplied by the Department of Labor and Industrial Relations;
- (2) Changing its effective date to October 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1479, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1479, H.D. 2, S.D. 1, C.D. 1.

Representatives Rhoads, Yamashita, Nakashima and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 20 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 which will serve as the basis for compliance with all applicable prevailing wage requirements.

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.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1676, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1676, H.D. 1, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 21 on H.B. No. 1103

The purpose of this bill is to facilitate conformance of state law to federal law to ensure eligibility for federal financial assistance for Independent Living Services and Centers by repealing the statute that establishes the Statewide Council on Independent Living as an entity within the Department of Human Services.

Your Committee on Conference has amended this bill by:

- (1) Amending language to more accurately reflect the bill's purpose; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1103, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1103, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 22 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;
- (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, except for investments by banks and savings banks in bonds, notes, mortgage-backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Banks; and
- (3) Allowing banks and savings banks to make limited investments in securities and obligations issued by a public-private investment fund established in connection with the Legacy Loans Program and Legacy Securities Program of the United States Treasury and Federal Deposit Insurance Corporation.

Your Committee on Conference finds that the limitations established by the original draft of this bill for investments by financial institutions in certain securities and obligations were prompted by the recent turmoil in global financial markets having a significant and negative impact on many large institutional investors. Given that the main purpose of this bill is to ensure that financial institutions engaging in such activities make prudent investments, this measure may not be the appropriate vehicle for provisions expanding the allowable investments by financial institutions to include securities and obligations that are part of a new federal program that has yet to be fully evaluated.

Your Committee on Conference further finds that the investment limitations imposed by this bill should be consistently applied to all of the financial institutions covered under this measure.

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

- (1) Eliminating the provisions allowing banks and savings banks to invest in securities and obligations issued by a public-private investment fund established in connection with the Legacy Loans Program and Legacy Securities Program of the United States Treasury and Federal Deposit Insurance Corporation;
- (2) Clarifying that investments in securities and obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of those entities are subject to the investment limitations of this bill;
- (3) Uniformly applying the investment limitations imposed by this bill on banks, savings banks, savings and loan associations, trust companies, depository financial services loan companies, and credit unions;
- (4) Making this measure effective upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1070, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1070, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 23 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.

Your Committee on Conference has amended this bill by:

- (1) Removing the per year specification for the number of continuing education hours required for recertification, so that no more than 24 hours are required in general; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 814, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 814, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Wakai, Nishimoto, Mizuno and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 24 on H.B. No. 28

The purpose of this bill is to prevent commercial exploitation of human body remains by:

- (1) Prohibiting the sale or display 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.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the display of a dead human body for commercial purposes is prohibited; provided that the prohibition does not apply to a display of a dead human body that:
 - (A) Has been dead for more than 80 years;
 - (B) Consists solely of human teeth or hair;
 - (C) Is part of the ordinary display or viewing of the deceased at a funeral establishment or part of a similar funeral or memorial service;
 - (D) Is an object of religious veneration;
 - (E) Is an object of research or educational display in the possession of any federal, state, or county agency, any public or private institution of higher learning accredited under federal or state law, or any private entity in receipt of a federal, state, or county grant for health-related research; or
 - (F) Is in the possession of a museum facility;
- (2) Changing the definition of "dead human body" to mean an individual who has sustained either irreversible cessation of circulatory and respiratory functions or irreversible cessation of all functions of the entire brain, including the brain stem; provided that the determination of death be made in accordance with accepted medical standards;
- (3) Adding a definition of "museum facility";
- (4) Changing its effective date to upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 28, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 28, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Karamatsu, M. Oshiro and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 25 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.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 358, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 358, H.D. 1, S.D. 1, C.D. 1.

Representatives Hanohano, Karamatsu, M. Lee, Aquino and Pine.
Managers on the part of the House.
(Representative Karamatsu was excused.)

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

Conf. Com. Rep. 26 on H.B. No. 262

The purpose of this bill is to strengthen efforts to address insurance fraud by:

- (1) Replacing the Department of Commerce and Consumer Affairs' (DCCA) Insurance Fraud Investigations Unit with an Insurance Fraud Investigations Branch (Branch) with the expanded authority to prevent, investigate, and prosecute insurance fraud beyond motor vehicle insurance, to include all lines of insurance except workers' compensation;
- (2) Establishing criminal and administrative penalties, and a civil cause of action, for insurance fraud in all covered lines of insurance and for different types of insurance fraud, including fraudulent applications, claims, and sales; and
- (3) Directing the deposit of fines and settlements resulting from insurance fraud prosecutions into the Compliance Resolution Fund to help the Branch cover the cost of preventing, investigating, and prosecuting insurance fraud.

Current law provides DCCA with express jurisdiction over insurance fraud relating to motor vehicle insurance only. Your Committee on Conference finds that because insurance fraud occurs in every line of insurance, Hawaii's insurance fraud law should be expanded accordingly. By broadening DCCA's jurisdiction over insurance fraud, this bill provides a more comprehensive approach to combating this problem and will help reduce premiums and other costs for Hawaii's consumers and businesses.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that licensed attorneys are exempt from the insurance fraud provisions of this bill only in cases where they represent insurance claimants other than themselves;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 262, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 262, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, B. Oshiro, Keith-Agaran and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 27 on H.B. No. 1415

The purpose of this bill is to require condominium associations, planned community associations, and cooperative housing corporations to implement a policy to provide entry for a process server to serve summonses, subpoenas, notices, or orders where entry to the property is inaccessible to the general public.

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

- (1) Requiring that the policy also:
 - (a) Set forth conditions of time and manner for the person serving civil process to enter and remain on the property; and
 - (b) Allow for immediate ejection from the building or community of a person serving civil process who has not complied with the conditions of access;
- (2) Exempting the association of apartment owners, cooperative housing corporation, or planned community association from liability resulting from the service of civil process being effected if access was granted and from liability to a person upon whom service of process is actually effected;
- (3) Requiring the board of directors of an association of apartment owners of a condominium to identify the individuals providing access to a person serving civil process in its biennial registration beginning January 1, 2010;
- (4) Requiring a cooperative housing corporation or planned community association to make available a printed copy of this policy at the principal point of entry to the building or community;
- (5) Repealing the provisions of this bill on July 1, 2012; and
- (6) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1415, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1415, H.D. 1, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 28 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 by:

- (1) Extending from June 30, 2009, to June 30, 2010, the repeal date of the provision giving DOE civil service employees these same civil service benefits; and
- (2) Requiring DOE to submit a report to the Legislature on its progress on establishing an autonomous civil service system, if DOE has not established a separate civil service system by June 30, 2010.

Your Committee on Conference has amended this bill by:

- (1) Extending to June 30, 2011, the repeal date of the provision giving DOE civil service employees the same civil service benefits as those provided to civil service employees of other executive branch agencies;
- (2) Specifying that the report due, if DOE has not established a separate civil service system by June 30, 2010, must be submitted to the Legislature no later than 20 days prior to the convening of the 2011 regular session;
- (3) Clarifying that the report is on DOE's progress on establishing a separate human resources system; and
- (4) Changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 541, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 541, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, Rhoads, C. Lee and Pine.
Managers on the part of the House.

Senators Takamine, Sakamoto and Tsutsui.
Managers on the part of the Senate.

Conf. Com. Rep. 29 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) Repealing the requirement that lessors submit information to the Department of Commerce and Consumer Affairs (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 and instead requiring a lessor to collect and maintain data related to damage waivers and repairs and provide that information to DCCA upon request.
- (3) Allowing lessors to meet damage waiver option disclosure requirements by placing the information in wall holders;
- (4) Repealing the requirement that lessors place notices of vehicle laws in each rental vehicle;
- (5) Repealing the authority of DCCA to prescribe the form of notices and signs required of lessors;
- (6) 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 prohibiting the lessor from subsequently renting or leasing that vehicle; and
- (7) Prohibiting a lessor from recovering any amount for damages to a motor vehicle from a lessee that the lessor has also recovered from a third party.

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, while prohibiting the lessor from subsequently renting or leasing that vehicle, would be a more equitable way to value the loss experienced by the lessor from the damaged vehicle.

Your Committee on Conference has amended this bill by:

- (1) Specifying that a lessor shall maintain the records reflecting the data collected by a lessor related to the sale of damage waivers and amounts expended to repair damage to rental vehicles caused while the vehicles are subject to the damage waiver for a period of three years;
- (2) Changing its 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1696, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1696, H.D. 2, S.D. 1, C.D. 1.

Representatives Souki, Herkes, Karamatsu and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 30 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.

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.

While federal law regulates eligibility criteria for foreign workers in the United States, states retain a role in regulating state contracting and labor issues and the recent events involving the employment of illegal workers demonstrate the need for this measure.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 643, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 643, H.D. 2, S.D. 2, C.D. 1.

Representatives Rhoads, Karamatsu, Herkes, Yamashita and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 31 on H.B. No. 31

The purpose of this bill is to protect individuals from discriminatory employment practices while protecting an employer's access to credit information under certain circumstances by:

- (1) 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;
- (2) Requiring any inquiry into and consideration of a prospective employee's credit history or credit report to take place only after the prospective employee has received a conditional offer of employment; and
- (3) Excluding the following from the prohibition against refusal to hire or employ, barring or terminating from employment, or otherwise discriminating on the basis of credit history:
 - (A) Employers who are expressly permitted or required to inquire into an individual's credit history for employment purposes pursuant to any federal or state law;
 - (B) Managerial or supervisory employees; and
 - (C) Employers that are financial institutions in which deposits are insured by a federal agency having jurisdiction over the financial institution.

While your Committee on Conference supports a worker's right to confidentiality of their credit history or record, it also 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, while continuing to allow access by employers to credit history information under certain circumstances.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 31, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 31, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 32 on H.B. No. 1611

The purpose of this measure is to improve food safety by:

- (1) Requiring accurate labeling of meat and fish products that have been gas-treated to enhance product color or to approximate the appearance of freshness; and
- (2) Requiring the Department of Agriculture to post notice of this labeling requirement on its website.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions establishing a violation of labeling requirements as a misdemeanor punishable by a fine and imprisonment;
- (2) Establishing a fine for violation of labeling requirements of:
 - (A) \$1,000 for an initial violation; and
 - (B) \$2,000 for each subsequent violation;
 and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1611, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1611, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, Karamatsu, Tsuji and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 33 on H.B. No. 1776

The purpose of this bill is to help prevent inmates from receiving public assistance to which they are not entitled by requiring:

- (1) The Department of Public Safety (PSD) to provide the Department of Human Services (DHS) with reports listing newly admitted inmates;
- (2) DHS to identify the status of each inmate on the lists with respect to the inmate's current receipt of public assistance;
- (3) The continuation of public assistance for the duration of the inmate's incarceration for inmates who are sentenced to incarceration in a public institution for not more than 30 days; and
- (4) That public assistance be terminated for inmates who are sentenced to incarceration in a public institution for more than 30 days.

Your Committee on Conference has amended this bill by:

- (1) Providing that DHS will identify the status of each inmate on the monthly lists as well as the initial list provided by PSD to determine the inmate's current receipt of public assistance;
- (2) Deleting provisions requiring:
 - (A) The continuation of public assistance for the duration of the inmate's incarceration for inmates who are sentenced to incarceration in a public institution for not more than 30 days; and
 - (B) That public assistance be terminated for inmates who are sentenced to incarceration in a public institution for more than 30 days;

- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1776, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1776, H.D. 1, S.D. 1, C.D. 1.

Representatives Hanohano, Mizuno, Aquino and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 34 on H.B. No. 1316

The purpose of this bill is to strengthen the availability of qualified consultants to highway projects, by limiting the liability of design professionals in certain tort claims relating to the maintenance and design of public highways.

Under this measure, liability for more than the design professional's pro rata share of negligence is restricted to the policy limits of the design professional's coverage for professional errors and omissions, if the design professional's degree of negligence is less than ten percent and the tort claim meets certain criteria regarding:

- (1) The contract amount for design professional services relating to the tort claim;
- (2) The amount of the design professional's gross revenue in the year or years preceding the date of the contract; and
- (3) The coverage amounts of professional errors and omissions liability insurance.

Design professionals include professional engineers, architects, surveyors, and landscape architects licensed under Chapter 464, Hawaii Revised Statutes. This bill seeks to limit the liability 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.

Your Committee on Conference has amended this bill by:

- (1) Adding a preamble;
- (2) Providing that this measure applies:
 - (A) To tort claims involving the design, construction, and maintenance of all highways; and
 - (B) Where the design professional's degree of negligence is ten percent or less, including the vicarious liability for the negligent acts or omissions of the design professional's officers or employees;
- (3) Capping the design professional's liability under this measure at the available policy limits of professional liability coverage after reduction for prior claim payments made;
- (4) Increasing the thresholds for design professional service contract amounts covered under this bill to:
 - (A) Up to \$500,000 for design professionals with coverage for the tort claim of at least \$1,000,000 per occurrence and \$1,000,000 in the aggregate; and
 - (B) Up to \$1,000,000 for design professionals with coverage for the tort claim of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- (5) Replacing the criteria for design professionals' gross revenue based on the contract amount with a provision limiting the application of this bill to design professionals with a gross annual revenue of at least \$10,000,000 during any of the three calendar years immediately preceding the effective date of the contract for design professional services;
- (6) Providing that information relating to a design professional's gross revenue produced pursuant to this bill is confidential and to be used only for purposes of this measure unless otherwise ordered by the court;
- (7) Adjusting the savings clause;
- (8) Making this measure effective upon its approval; and
- (9) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1316, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1316, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 35 on H.B. No. 271

The purpose of this bill is to allow the Registrar of the Bureau of Conveyances (Registrar) to:

- (1) Accept electronic documents for recording;
- (2) Furnish copies of documents and plans in electronic form; and
- (3) Convert into electronic form documents or information received before the authority to record electronic documents was granted to the Registrar.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and to conform to drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 271, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 271, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 36 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 establishing a web-based, family leave data collection system to gather and analyze family caregiving data for public and private-sector employees, which will be used for the future development and implementation of an efficient state family leave system.

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.

Your Committee on Conference 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 on Conference has amended this bill by:

- (1) Authorizing the use of Disability Benefits Special Fund monies for the establishment of a family leave data collection system;
- (2) Inserting an appropriation of \$10,000;
- (3) Changing its 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 982, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 982, H.D. 3, S.D. 1, C.D. 1.

Representatives Rhoads, Chang, Tokioka, M. Lee and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 37 on H.B. No. 1040

The purpose of this bill is to protect manta rays by establishing fines and penalties for knowingly killing or capturing manta rays within state waters.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 366, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 366, H.D. 2, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 38 on H.B. No. 366

The purpose of this bill is to protect manta rays by establishing fines and penalties for knowingly killing or capturing manta rays within state waters.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 366, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 366, H.D. 2, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 39 on H.B. No. 983

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

- (1) Provide federal Safe Routes to School program funds for school-based and community-based workshops and infrastructure and non-infrastructure projects that will reduce vehicular traffic and congestion, encourage walking and bicycling, and promote health and safety around Hawaii's schools, in consultation with the Department of Education, Department of Health, and Hawaii Association of Independent Schools;
- (2) Consider certain conditions in implementing the Safe Routes to School program, including:
 - (A) Creating and filling a permanent, full-time Safe Routes to School coordinator position;
 - (B) Maximizing the participation of stakeholder groups;
 - (C) Training volunteer facilitators, potential grant requestors, and stakeholder groups; and
 - (D) Allocating at least ten percent and not more than 30 percent of federal Safe Routes to School program funds for non-infrastructure-related activities;
- (3) Develop a streamlined process for the federal Safe Routes to School grant program that meets federal and state requirements, simplifies the application process, and expedites release of funding; and
- (4) Submit a report of the status and progress of the program prior to the convening of the Regular Session of 2010.

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. Providing Safe Routes to School Program funds for school-based and community-based workshops, infrastructure and non-infrastructure projects to promote alternative methods of transportation to school, and streamlining and simplifying the grant process for these funds, will not only alleviate traffic congestion but increase student safety.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 983, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 983, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Berg, Awana, M. Lee and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 40 on H.B. No. 813

The purpose of this bill is to designate 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.

Your Committee on Conference notes that on August 11, 2000, President Clinton issued an executive order directing all federal agencies to publish written policies on how recipients can provide access to persons of limited English proficiency and improve language accessibility to its programs.

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

- (1) Adding language recognizing the August 11, 2000, executive order; and
- (2) Changing "Language Access Month" from September to August.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 813, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 813, H.D. 1, S.D. 1, C.D. 1.

Representatives Manahan, Keith-Agaran and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 41 on H.B. No. 1141

The purpose of this bill is to exempt certain users from the ban on the operation of thrill craft in undesignated waters of the state. Specifically, this bill:

- (1) Exempts from the ban, authorized film production permit holders and government personnel conducting operations approved by the Department of Land and Natural Resources (DLNR);
- (2) Repeals the exemption for film production permit holders on June 30, 2014; and
- (3) Requires DLNR and the Hawaii Film Office to submit annual reports to the Legislature on thrill craft use by authorized film production permit holders.

Your Committee on Conference has amended this bill by making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1141, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1141, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Manahan, McKelvey and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 42 on H.B. No. 1379

The purpose of this bill is to ensure that a person's wishes regarding end-of-life care are followed by allowing the use of a standardized "physician orders for life sustaining treatment form" (Form), which states an individual's wishes regarding end-of-life treatment in all pre-hospital and health care settings.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the person authorized to take action on behalf of an incapacitated patient is the patient's surrogate;
- (2) Deleting the requirement that a patient's surrogate be designated by the patient;
- (3) Allowing health care providers other than a patient's physician to explain to a patient the nature and content of the Form;
- (4) Allowing the surrogate of an incapacitated patient to revoke a Form;
- (5) Clarifying that a health care provider will not be deemed to be at fault for carrying out treatment orders in a Form in good faith;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1379, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1379, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Karamatsu, Nishimoto, M. Lee and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 43 on H.B. No. 1512

The purpose of this bill is to allow a family court judge to issue an ex parte temporary restraining order (TRO) to:

- (1) Grant exclusive care of a pet animal or equine animal to a party; and
- (2) Restrain both parties from taking, concealing, removing, threatening, physically abusing, or otherwise disposing of any pet animal or equine animal whose exclusive care has been granted to a protected party.

Your Committee on Conference notes that this measure is intended to protect the well-being of animals and that its language should not be construed to impede a person from or penalize a person for taking or removing an animal requiring urgent veterinary care to an appropriate facility or person, or for allowing an animal to be euthanized by a veterinarian if the veterinarian deems the procedure appropriate under the circumstances.

Your Committee on Conference has amended this bill by:

- (1) Requiring both parties to be covered by the TRO to preclude the possibility that one party might misuse the TRO process with the intent of gaining control over and abusing an animal;
- (2) Requiring that a party seeking the TRO identify to the court the animals that are a part of a household and in need of protection;
- (3) Deleting references and definitions of "pet animal" and "equine animal" to allow the court greater discretion in granting protection to animals; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1512, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1512, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 44 on H.B. No. 640

The purpose of this bill is to eliminate undue delays for certain actions that involve the installation, improvement, renovation, construction, or development of infrastructure (including roadway improvements, waterlines, wastewater lines and facilities, drainage facilities, and electrical, communication, and cable utilities) within a public right-of-way or highway by clarifying that such projects are exempt from Chapter 343, Hawaii Revised Statutes, the environmental review law.

Your Committee on Conference has amended this bill by:

- (1) Inserting a preamble;
- (2) Clarifying that the exemption from the environmental review law under this bill applies to any primary action requiring a permit or approval that is not subject to a discretionary consent and involving a secondary action that is ancillary and limited to infrastructure development within a public right-of-way or highway;
- (3) Eliminating the provision disqualifying projects involving infrastructure that may have a significant effect on the environment from the exemption under this measure;
- (4) Inserting a definition for "discretionary consent";
- (5) Changing the effective date to July 1, 2009, with a sunset date of July 1, 2011; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 640, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 640, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Ito, Souki and Ching.
Managers on the part of the House.
(Representative Ito was excused.)

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

Conf. Com. Rep. 45 on H.B. No. 1470

The purpose of this bill is to update the Hawaii Public Procurement Code (Code) to expedite Hawaii's ability to use and benefit from federal economic stimulus funds by, among other things:

- (1) Exempting federal General Services Administration-approved sole source vendors from the Code in procurements funded by state and federal matching funds;
- (2) Increasing the \$50,000 limit on procurements qualifying for certain small purchase procedures, to \$100,000 for goods or services, and \$250,000 for construction;
- (3) Strengthening the preference for Hawaii products by:
 - (A) Defining "Hawaii input";
 - (B) Increasing from 25 percent to more than 50 percent, the percentage of Hawaii input needed for a product to qualify as a Hawaii product;
 - (C) Establishing two classes of Hawaii products, class I where the Hawaii input exceeds 50 percent, and class II where an agricultural or similar product is raised grown, or harvested in the state;
 - (D) Providing a ten percent reduction in the bid price for class I products, and 15 percent for class II products;
 - (E) Allowing Hawaii product offerors to self-certify, subject to invalidation of the contract and the penalties of debarment or suspension;
- (4) Requiring dismissal of protests based on an inadvertent error in the competing bid amounting to not more than one percent of the bid amount;
- (5) Establishing a limit of 30 days for administrative review of procurement decisions, ten days to transmit the record of administrative proceedings to the Circuit Court, and 30 days for judicial review;
- (6) Limiting protests of bid and request for proposals contract awards under section 103D-302 or 103D-303, Hawaii Revised Statutes (HRS), to matters equal to not less than ten percent of the contract value; and
- (7) Requiring the initiating party to pay a cash or protest bond equal to one percent of contracts valued at \$1,000,000 or more, which must be forfeited to the State if the party does not prevail.

Your Committee on Conference has amended this bill by:

- (1) Restricting the performance bond requirement for small purchase construction procurements, to contracts of more than \$50,000;
- (2) Providing that no exemptions from the Code apply to fresh meats, produce, animals, and plants, other than those listed in section 103D-102(b), HRS;
- (3) Removing the definitions of "Hawaii component" and "Hawaii product";
- (4) Removing the provisions requiring dismissal of protests concerning inadvertent errors amounting to less than one percent of the bid amount;
- (5) Requiring the State Procurement Office to keep statistics of protests of the solicitation or award of a contract, including protests involving inadvertent errors, for the purpose of improving procurement procedures;
- (6) Making fact finding under section 91-10, HRS, of the Administrative Procedure law, applicable to the administrative review of a procurement decision, instead of the Hawaii Rules of Evidence;
- (7) Requiring administrative hearings officers to issue a written decision no later than 45 days after receiving a request for review;
- (8) Providing that persons protesting the solicitation or award of a contract under the bid or request for proposals procedures of section 103D-302 or 103D-303, HRS:
 - (A) May request an administrative review if:
 - (i) The contract has an estimated value of less than \$1,000,000 and the protest concerns a matter that is greater than \$10,000; or
 - (ii) The contract has an estimated value of \$1,000,000 or more, and the protest concerns a matter equal to no less than ten percent of the contract;
 - (B) Must post a cash or protest bond:
 - (i) In the amount of \$1,000 for a contract with an estimated value of less than \$500,000;
 - (ii) In the amount of \$2,000 for a contract with an estimated value of \$500,000 or more, but less than \$1,000,000;
 - (iii) In the amount of one-half percent of the total estimated value of the contract if the total estimated value of the contract is \$1,000,000 or more, and capping the bond at \$10,000; and
 - (iv) Which must be deposited into the general fund if the initiating party does not prevail;
- (9) Providing that if an application for judicial review is not resolved by the 30th day from filing, the court shall lose jurisdiction and the decision of the hearings officer shall not be disturbed;
- (10) Allowing the procurement protest and dispute provisions of the bill to be evaluated by providing that they will sunset on July 1, 2011; and

- (11) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1470, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1470, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 46 on H.B. No. 128

The purpose of this bill is to update, organize, and clarify, as well as make minor substantive amendments to, current campaign finance laws.

Your Committee on Conference notes that this measure does not revise current substantive law regarding contribution limits to candidate committees or noncandidate committees; the language in this measure is identical to that currently codified in HRS 11-204(a) and 11-204(b). Your Committee on Conference does not consider it prudent to address new or clarified limitations on such contributions at this time due to pending appellate judicial review of *Charmaine Tavares Campaign v. Barbara U. Wong* by the Intermediate Court of Appeals.

Your Committee on Conference has amended this bill by:

- (1) Amending certain definitions for clarity and consistency;
- (2) Restricting the limitation on contributions by contractors with the State to contributions by non-bid contractors only;
- (3) Allowing for pro-rata attribution of contributions by partnerships and limited liability companies considered as partnerships by the Internal Revenue Service among the partners or members;
- (4) Specifying the manner in which contributions by partnerships and limited liability companies will be treated;
- (5) Increasing the limit on contributions by non-residents from 20 percent to 30 percent of the total contribution received by a candidate or candidate committee for each election period;
- (6) Providing that campaign funds to be used for donations to public schools or public libraries are subject to limitations similar to those for donations to community service or educational organizations already allowed under current law;
- (7) Specifying that each candidate who qualified for the maximum amount of public funding in any primary election and who is a candidate for a subsequent general election must apply with the Campaign Spending Commission to be qualified to receive the maximum amount of public funds; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 128, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 128, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 47 on H.B. No. 1713

The purpose of this bill is to alleviate hazardous situations on private property resulting from falling branches, unstable rock and soil conditions, and flooded streams and waterways. This bill allows state employees to mitigate the hazardous situation after giving notice to the landowner and occupier of the private property and providing them a reasonable opportunity to resolve the situation.

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

- (1) Clarifying that one of the applicable actions involves the need to cut, trim, or remove dangerous trees or branches that pose a hazard to one or more other properties;
- (2) Specifying that a ten days' notice also be provided to the occupier of the private property;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1713, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1713, H.D. 2, S.D. 2, C.D. 1.

Representatives Karamatsu, Hanohano, Aquino, Nakashima, Wooley and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 48 on H.B. No. 994

The purpose of this bill is to establish space tourism in Hawaii and expand the technology sector of our economy by appropriating moneys out of the Airport Revenue and Tourism Special Funds to apply to the Federal Aviation Administration (FAA) for a spaceport license.

Space tourism could significantly increase state revenue sources, provide new aerospace jobs, and rejuvenate economic development in the Kalaeloa area. However, as only a few spaceport licenses are available from the FAA, timely passage of this measure is essential.

Your Committee on Conference has amended this bill by:

- (1) Making technical, nonsubstantive amendments to ensure that the funds appropriated from the Airport Revenue and Tourism Special Funds may be expended by the Department of Business, Economic Development, and Tourism for the spaceport license application;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making other technical, nonsubstantive amendments for clarity consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 994, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 994, H.D. 1, S.D. 2, C.D. 1.

Representatives McKelvey, Choy, Manahan, Wakai and Ward.
Managers on the part of the House.
(Representative Wakai was excused.)

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

Conf. Com. Rep. 49 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 clarifies and adds certainty to the law relating to UH's authority to manage and control public and commercial activities on the Mauna Kea lands by:

- (1) Authorizing the UH Board of Regents (BOR) to charge fees and enter into lease agreements for the Mauna Kea lands, adopt rules to regulate public and commercial activities on Mauna Kea lands, and establish and collect administrative fines for violations;
- (2) Establishing the Mauna Kea Lands Management Special Fund for UH to manage the Mauna Kea lands; and
- (3) Requiring annual reports to the Legislature.

Your Committee on Conference has amended this bill by:

- (1) Including any recreational activities, rather than only snow play activities, in the types of public and commercial activities that could be covered by administrative rules;
- (2) Requiring the BOR to hold at least one public hearing, in addition to the public hearing at which decision-making on the proposed rule is made, on the island of Hawaii;
- (3) Clarifying that the penalty for the third violation of a rule within five years of a prior violation and any subsequent violation, shall not exceed \$10,000;
- (4) Changing its effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1174, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1174, H.D. 3, S.D. 2, C.D. 1.

Representatives Chang, Karamatsu, M. Oshiro, Nakashima, Tsuji and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 50 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 for at least 100 farmers each year;
- and
- (2) Establishing the Food Certification Pilot Program Special Fund (Special Fund) and appropriating funds for the Program.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose and findings section describing the nexus between agriculture and the tourism industry;
- (2) Changing the name of the Program to the Safe Food Certification Pilot Program;
- (3) Removing the requirement that at least 100 farmers be certified under the Program each year;
- (4) Removing the establishment of the Special Fund;
- (5) Changing the source of funding from general revenues to the Tourism Special Fund (TSF);
- (6) Appropriating \$140,000 from the TSF to be transferred to DOA to administer the Program for the 2009-2010 fiscal year; and
- (7) Changing the effective date to July 1, 2009, and repealing the measure on June 30, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1471, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1471, H.D. 2, S.D. 1, C.D. 1.

Representatives Manahan, Tsuji, Tokioka, Wooley and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 51 on S.B. No. 199

The purpose of this measure is to limit claims for a number of business tax credits for taxable years beginning January 1, 2009, and ending before January 1, 2011, to seventy-five per cent of the taxpayer's liability for the taxable year in which the credit is claimed.

The measure also:

- (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.

Upon further consideration, your Committee has amended S.B. No. 199, S.D. 1, H.D. 1, by:

- (1) Changing the amount of the tax credit claim limitation from seventy-five per cent to ninety per cent of a taxpayer's tax liability and removing references to "business tax credits" and replacing it with the high technology business investment tax credit and the technology infrastructure renovation tax credit;
- (2) Providing for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Temporarily removing the partner distributive share tax incentive for the high technology business investment tax credit;
- (4) Temporarily suspending the capital goods excise tax credit for one year to coincide with the federal capital goods excise tax credit under section 179 of the Internal Revenue Code; and
- (5) Repealing the entire measure on January 1, 2012, instead of January 1, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 199, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 199, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 52 on S.B. No. 1111

The purpose of this measure is to increase the transient accommodations tax to an unspecified amount beginning July 1, 2009, and require that the additional revenues collected be deposited into the general fund.

Your Committee upon further consideration has made the following amendments to S.B. No. 1111, S.D. 1, H.D. 1, by:

- (1) Providing for an additional increase on the gross rental or gross rental proceeds derived from furnishing transient accommodations, to be deposited into the general fund, of:
 - (A) One per cent for the period beginning July 1, 2009, to June 30, 2010; and
 - (B) Two per cent for the period beginning July 1, 2010, to June 30, 2015;
- (2) Providing that the measure shall be repealed on June 30, 2015;
- (3) Changing the effective date of the measure to July 1, 2009; and
- (4) Making technical changes for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1111, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1111, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy and M. Lee.
Managers on the part of the House.

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

Conf. Com. Rep. 53 on S.B. No. 603

The purpose of this measure is to promote competition in the telecommunications marketplace by requiring the Public Utilities Commission to treat local exchange intrastate services as fully competitive with regard to costs, rates, and pricing and to consider wireless, voice over internet protocol (VOIP), and other telecommunications technology providers when determining competition in the switched access telecommunications market.

Your Committee finds that advances in technology make wireless and VOIP telephone services a reasonable substitute for traditional land line, or switched access, service for many consumers. However, many other consumers, especially low income consumers and those in remote areas, remain dependent on switched access. It is the intent of your Committee that critical telecommunications services such as Lifeline phone rates remain undisturbed by this measure. Your Committee finds that this measure will update Hawaii's regulatory framework for telecommunications providers and create market parity among all phone service providers by regulating wireless and VOIP providers in the same manner as switched-access providers.

Your Committee has amended this measure by:

- (1) Clarifying that this measure applies notwithstanding section 269-16.9, Hawaii Revised Statutes; and
- (2) Deleting language that would have made the amendments made by this measure effective on July 1, 2009; and
- (3) Specifying that a telecommunications carrier shall not charge a higher rate for any retail telecommunications service than the rate included in the carrier's filed tariff without the approval of the public utilities commission.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 603, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 603, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 54 on S.B. No. 1065

The purpose of this measure is to exempt, under certain conditions, sales of electricity generated by the Natural Energy Laboratory of Hawaii Authority (NELHA) from renewable energy sources from regulation by the Public Utilities Commission when those sales are made to users located on adjacent property that is leased from the State.

Your Committee finds that this measure will make NELHA more efficient and cost-effective and enable it to better serve its tenants and adjoining small businesses located on land leased from the State.

Your Committee upon further consideration has amended this measure by changing the effective date from "January 1, 2112" to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1065, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1065, S.D. 2, H.D. 1, C.D. 1.

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

Senators Gabbard, Fukunaga, Baker, Green and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 55 on S.B. No. 281

The purpose of this measure is to allow the counties to prohibit or regulate the use of electric personal assistive mobility devices on sidewalks and bicycle paths.

The intent of your Committee on Conference is to enhance the safety of pedestrian sidewalk and bicycle path traffic. Your Committee finds that electric personal assistive mobility devices, also known as Segways, present unique problems to sidewalk pedestrian and bicycle path use which depends on the character of each neighborhood. Each county is better able to judge for itself the permissible use of Segways on sidewalks and bicycle paths. Your Committee also believes that this matter is a home-rule issue that should be delegated to the counties.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 281, H.D. 1, C.D. 1.

Representatives Souki, Karamatsu, Awana and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 56 on S.B. No. 711

The purpose of this measure is to clarify that the length of an articulated bus for public transit purposes must not exceed eighty-two feet in length, and shall not consist of more than three units.

The intent of your Committee on Conference is to provide greater efficiency in the movement of passengers through a public transit system by allowing larger articulated buses to operate on public roadways.

Your Committee on Conference has amended this measure by changing the effective date to upon its approval, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 711, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 711, S.D. 1, H.D. 2, C.D. 1.

Representatives Souki, Karamatsu, Awana and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 57 on S.B. No. 659

The purpose of this measure is to amend the disclosure requirements for recipients of monetary awards by the State. More specifically, this measure:

- (1) Eliminates the requirement that the North American Industry Classification System code be part of the information that is posted on the website; and
- (2) Requires the Department of Accounting and General Services to collaborate with the Department of Budget and Finance to collect and post on the website information about awards issued by the State.

Your Committee has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 659, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 659, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 58 on S.B. No. 971

The purpose of this measure is to conform state tax law to certain amendments to the Internal Revenue Code for calendar year 2008.

This measure also makes certain penalty provisions under the Internal Revenue Code operative under state tax law.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions making certain penalty provisions under the Internal Revenue Code operative for purposes of state tax law; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 971, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 971, S.D. 2, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.
(Representative Choy was excused.)

Senators Kim, Taniguchi, Hooser, Kidani and Tsutsui.
Managers on the part of the Senate.

Conf. Com. Rep. 59 on S.B. No. 714

The purpose of this measure is to allow all motor vehicles, regardless of number of persons on board, to use high occupancy vehicle lanes or zipper lanes when one or more lanes of traffic moving in the same direction have been shut down by law enforcement officers or emergency services personnel; provided that the Director of Transportation has declared an emergency and opened the high occupancy vehicle lanes or zipper lanes for this use.

The intent of your Committee on Conference is to alleviate traffic congestion due to lane closures stemming from traffic incidents or accidents. Your Committee finds that many traffic incidents cause closure of lanes, whether accidents, car crashes, stalled vehicles, or other issues. This reduction of available travel lanes slows traffic significantly. Allowing the use of the high occupancy vehicle lanes or zipper lanes to any motor vehicle, regardless of the number of passengers when an incident occurs would be the most effective use of lanes.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 714, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 714, S.D. 1, H.D. 2, C.D. 1.

Representatives Souki, Karamatsu, Har and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 60 on S.B. No. 564

The purpose of this measure 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.

Your Committee on Conference finds that requiring the County Fire Chief, or the Chief's designee, to inspect all buildings and facilities at least once every five years or as often as deemed practicable or necessary provides the County Fire Chief with much needed flexibility in carrying out inspection duties. Limited resources are available to the County Fire Chief and over the years the number of facilities to inspect has greatly increased. This measure ensures that resources are focused on buildings and facilities that are more in need of immediate inspection, thus ensuring that fire prevention and pre-fire planning issues are timely addressed.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the County Fire Chief is authorized to inspect all buildings and facilities; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 564, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 564, S.D. 2, H.D. 1, C.D. 1.

Representatives Hanohano, M. Lee, Aquino and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 61 on S.B. No. 1183

The purpose of this measure is to statutorily authorize and require the Hawaii Civil Rights Commission to define in administrative rules certain definitions for purposes of discriminatory employment practices.

Specifically, this measure requires the Hawaii Civil Rights Commission to define:

- (1) "Major life activities";
- (2) "Being regarded as having such an impairment";
- (3) "Disability";
- (4) "Substantially limits"; and
- (5) Other operative terms,

to conform state law protections against disability discrimination in employment to the American with Disabilities Act Amendments Act of 2008, Pub. L. 110-325.

Your Committee upon further consideration has made the following amendments to this measure:

- (1) Placing the provisions that require the Hawaii Civil Rights Commission to adopt rules to define the foregoing terms in Session Laws rather than codifying these provisions in the Hawaii Revised Statutes;
- (2) Including a requirement that the Hawaii Civil Rights Commission complete the rulemaking process no later than December 31, 2010; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1183, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1183, S.D. 2, H.D. 2, C.D. 1.

Representatives Rhoads, Mizuno, Ito and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 62 on S.B. No. 868

The purpose of this measure is to update and clarify the duties of the Energy Resources Coordinator to oversee statewide energy resource planning to develop local, non-fossil fuel energy sources in order to decrease Hawaii's dependence on imported fossil fuels and realize the State's long-term goal of energy independence.

Your Committee on Conference finds that there is a need to coordinate the development of the State's energy resources to provide energy security by increasing the use of indigenous renewable energy and reducing the State's overdependence on oil.

Your Committee on Conference has amended this measure by changing its effective date from "July 1, 2020" to "July 1, 2009."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 868, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 868, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Herkes, M. Oshiro, Coffman and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 63 on S.B. No. 470

The purpose of this measure is to amend certain provisions relating to liquor industry licensing, practices, and adjudication process. Among other things, this measure:

- (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.

This measure is the result of a comprehensive review of chapter 281, Hawaii Revised Statutes, conducted by the four county liquor control departments, including their commissions and adjudication boards, and in cooperation with industry representatives. As such, it will provide clarity and consistency for both businesses and the entities charged with regulating liquor licensing in the State.

Your Committee has amended this measure by changing the effective date to upon its approval, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 470, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 470, H.D. 1, C.D. 1.

Representatives Herkes, Karamatsu, Keith-Agaran, Yamashita and Marumoto.
Managers on the part of the House.
(Representative Yamashita was excused.)

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

Conf. Com. Rep. 64 on S.B. No. 203

The purpose of this measure is to deter unlicensed contractor activity by increasing monetary sanctions for violations involving unlicensed contractor activity.

Your Committee finds that while unlicensed contractor activity can be disruptive of health, safety, and consumer protection standards, licensed contractors who make a sincere effort to remain in compliance with applicable laws and rules should not be subject to unduly harsh penalties for inadvertent or minor violations. Your Committee acknowledges that this measure is the result of a collaborative effort among the Department of Commerce and Consumer Affairs and various stakeholders to deter unlicensed contractors from avoiding licensing and oversight. Your Committee notes, however, that it is not the intent of this measure to impose an unintentionally severe penalty for a minor or inadvertent compliance violation. Your Committee further notes that the Department of Commerce and Consumer Affairs has communicated its intention to remain flexible and to use reasonable discretion in imposing financial penalties.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 203, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 203, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 65 on S.B. No. 35

The purpose of this measure is to exempt certified public accountants and public accountants, who are already subject to regulation by the Board of Public Accountancy, from the definition of "distressed property consultant" under the Mortgage Rescue Fraud Prevention Act, chapter 480E, Hawaii Revised Statutes.

Under current law, a public accountant or certified public accountant is prevented from performing routine accounting services to assist with financial matters that may arise relating to the foreclosure process. Your Committee finds that, although protection of financially vulnerable homeowners is critical, public accountants and certified public accountants are already subject to regulation by the Board of Public Accountancy, which supplies adequate protection to consumers of public accounting services through existing licensing standards and disciplinary procedures.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 35, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 35, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 66 on S.B. No. 34

The purpose of this measure is to exempt licensed real estate brokers and salespersons acting within the scope of their licenses from the definition of "distressed property consultant" under the Mortgage Rescue Fraud Prevention Act, chapter 480E, Hawaii Revised Statutes. This measure also prohibits a real estate broker or salesperson from acquiring an ownership interest in distressed property within two years after a listing agreement for the distressed property has expired or is terminated.

Under current law, a real estate licensee is prohibited from participating in short sale transactions that allow a homeowner at risk of foreclosure to negotiate a reduced payment price with a lender in order to avoid the long-term consequences of foreclosure. Your Committee finds that protecting homeowners who are in a financially vulnerable position is of paramount importance. Your Committee is also aware that the potential for conflicts of interest or abuse does exist when real estate licensees are involved in short sale negotiations. However, your Committee finds that existing civil and criminal

penalties in Hawaii's real estate licensure and fraud-prevention statutes are adequate to protect consumers. Further, this measure adds additional protections to the current law by prohibiting a real estate licensee from acquiring an ownership interest in property for a period of time after the property is listed with the licensee for a short sale.

Your Committee has amended this measure by:

- (1) Changing the period during which a real estate licensee is prohibited from acquiring an ownership interest in distressed property from two years to three hundred sixty-five days;
- (2) Making it effective upon approval; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 34, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 34, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 67 on S.B. No. 914

The purpose of this measure is to conform certain provisions of the Hawaii Revised 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 deleting the definition of "exempt household"; and
- (2) Amending section 346-53, Hawaii Revised Statutes, to incorporate the new definitions.

Your Committee finds that this is a housekeeping measure to bring Hawaii law in conformity with the terminology used in the Code of Federal Regulations relating to the TANF program.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive amendments for consistency; and
- (2) Amending the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 914, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 914, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 68 on S.B. No. 440

The purpose of this measure is to require that infrastructure for affordable housing shall be deemed dedicated to the county if the county does not accept or reject the request for dedication of infrastructure within ninety days of the filing of the dedication request; provided that:

- (1) Meter, connection fees, and utility costs have been paid;
- (2) The infrastructure conforms to applicable county standards in effect at the time of construction; and
- (3) The county has approved completion of the improvements.

Your Committee on Conference has amended this measure by making the effective date of the Act upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 440, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 440, S.D. 2, H.D. 1, C.D. 1.

Representatives Cabanilla, Ito, Chong, Har and Ching.
Managers on the part of the House.

Senators Sakamoto, English, Kidani and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 69 on S.B. No. 389

The purpose of this measure is to require the Legislative Reference Bureau to review the memorandum of understanding between the Department of Education and the Department of Budget and Finance for the allotment of capital improvement projects, with the goal of replicating the processes of the memorandum of understanding for use by other state agencies with many capital improvement projects that are predominantly funded by general obligation bonds.

The measure requires the Legislative Reference Bureau to include concerns or recommendations of both departments regarding the current memorandum of understanding, required changes to adapt the memorandum of understanding for other state agencies, and a proposed timetable for adoption of the processes of the memorandum of understanding by other state agencies. The measure also requires analysis of certain pertinent issues. The Legislative Reference Bureau is required to consult with, at a minimum, the Departments of Education and Budget and Finance and other government agencies. Finally, this measure requires the Legislative Reference Bureau to report findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

Upon further consideration, your Committee has amended this measure by changing the effective date from July 1, 2020, to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 389, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 389, S.D. 1, H.D. 2, C.D. 1.

Representatives Takumi, Tokioka, Har and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 70 on S.B. No. 300

The purpose of this measure 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.

Your Committee on Conference finds that liquor licensees have a high exposure to potential lawsuits for personal injuries for the serving of liquor to patrons who may excessively imbibe and then cause an accident to a third party. The provision of general liability insurance would mitigate such exposure.

Your Committee on Conference has amended this measure by:

- (1) Requiring an applicant for a class 2, class 4, class 5, class 6, class 11, class 12, class 13, class 14, or class 15 license to maintain liquor liability insurance coverage in an amount of \$1,000,000;
- (2) Requiring for the foregoing classes, proof of liability insurance by the applicant as a prerequisite to issuance or renewal of a liquor license, and by the transferor and transferee for transfer of a liquor license, and allowing the suspension or termination of a license for failure to maintain the liability insurance;
- (3) Requiring proof of coverage to be kept on the premises and made available for inspection by the Liquor Commission at any time during the licensee's regular business hours; and
- (4) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 300, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 300, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 71 on S.B. No. 605

The purpose of this measure is to:

- (1) Require the Department of Health to add the dBC decibel weighting system to the current dBA decibel weighting system for purposes of community noise control;
- (2) Set permissible maximum sound levels for nighttime, and grant the Department of Health and the county liquor commissions the authority to enforce these limits; and
- (3) Direct 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 sound level, in decibels.

Your Committee on Conference finds that low-frequency noise that can emanate from nightclubs and other liquor establishments, particularly within urban areas, is problematic, and that the current noise control laws do not adequately address this type of noise. However, enforcing noise level restrictions meant to address these urban concerns within agricultural areas may have the unintentional effect of prohibiting agricultural activities.

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

- (1) Limiting its application to areas within the urban land use district, as designated pursuant to section 205-2, Hawaii Revised Statutes; and
- (2) Changing its effective date from "July 1, 2050" to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 605, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 605, S.D. 1, H.D. 3, C.D. 1.

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

Senators Gabbard, Fukunaga, Hooser, Ihara and Hemmings.
Managers on the part of the Senate.
(Senators Fukunaga and Hooser were excused.)

Conf. Com. Rep. 72 on S.B. No. 1066

The purpose of this measure is to increase the number of directors for the Natural Energy Laboratory of Hawaii Authority to thirteen, by adding two tenant representative directors.

Your Committee on Conference has amended this measure by changing its effective date from "July 1, 2112" to "July 1, 2009".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1066, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1066, S.D. 2, H.D. 1, C.D. 1.

Representatives Morita, McKelvey, Coffman, Evans and Thielen.
Managers on the part of the House.
(Representatives Evans and McKelvey were excused.)

Senators Gabbard, Fukunaga, Kim, Green and Hemmings.
Managers on the part of the Senate.
(Senator Fukunaga was excused.)

Conf. Com. Rep. 73 on S.B. No. 55

The purpose of this measure is to suspend the requirement that firms obtain a permit to practice public accountancy until one hundred eighty days after the effective date of administrative rules prescribing the methods and requirements for firm permit applications.

Under current law, public accountancy firms are required to obtain a permit for the firm to practice public accountancy in addition to the individual permits required of members of the firm who practice accountancy. The current law empowers the Board of Accountancy to enact rules for issuing firm permits. However, your Committee finds that the Board of Public Accountancy has never enacted rules for awarding firm permits and, therefore, firm permits have never been issued. This exposes every public accounting firm in the State to liability under the law for operating without a permit and curtails out-of-state business opportunities for public accountancy firms because the Board's inaction forces all firms to remain out of compliance with the State's regulatory requirements.

Your Committee, upon further consideration, has amended this measure by:

- (1) Amending its purpose section to accurately reflect the contents of the measure;
- (2) Adding a provision to require the Director of Commerce and Consumer Affairs to report the progress and status of the rule-making process to the Legislature no later than twenty days before the convening of the Regular Session of 2010; and
- (3) Adding a provision to require the Director of Commerce and Consumer Affairs to notify the Legislature and to provide public notice of the adoption of administrative rules prescribing the methods and requirements for a firm to apply for and obtain a permit to practice public accountancy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 55, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 74 on S.B. No. 50

The purpose of this measure is to set terms and conditions for leases of public lands without public auction to renewable energy producers.

Specifically, this measure:

- (1) Authorizes 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) Grants the renewable energy producer a right of first refusal upon the renewal of its lease.

Your Committee finds that recent events have led to the need for increased community involvement in the issuance of long-term leases for renewable energy producers. This measure provides for an open process that allows for the fair evaluation of multiple energy producers interested in the same public lands for energy projects and ensures that current leases will not be terminated if the lessee is in full compliance. Your Committee believes that current lessees and energy producers can come together with the shared vision of an increased local food supply and locally-produced energy.

Your Committee has amended this measure by:

- (1) Creating a new section of chapter 171, Hawaii Revised Statutes, instead of amending section 171-95, Hawaii Revised Statutes;
- (2) Deleting the authorization of involuntary withdrawal of property from the lease of public lands if the withdrawal is less than twenty-five per cent of the production attributable to the leased land;
- (3) Increasing the number of public hearings required to lease public land to a renewable energy producer from one to two;
- (4) Requiring that any action taken by the Board of Land and Natural Resources upon a proposal subject to this measure shall take place on the island where the public land to be leased for the proposed renewable energy project is located; and
- (5) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 50, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 50, S.D. 1, H.D. 2, C.D. 1.

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

Senators Hee, Gabbard, Fukunaga, Kokubun and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 75 on S.B. No. 892

The purpose of this measure is to update the Insurance Code by:

- (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.

Your Committee finds that this measure is necessary to bring Hawaii's insurance industry into conformity with best practices in insurance regulation and to respond to changes in the industry. Your Committee notes that the provisions relating to issuance of a surplus lines broker license and continuing education requirements for insurance licensees are based on recommendations by the National Association of Insurance Commissioners (NAIC) and reflect a policy of achieving greater uniformity in insurance regulation across states. Greater uniformity will make insurance regulation less burdensome and simpler for insurers, producers, regulators, and consumers. Further, the audit provisions in this measure are required by the NAIC as a condition of continuing accreditation.

Your Committee has amended this measure by:

- (1) Adding a provision to specify that the annual audits required of each domestic insurer in this State shall be prepared in accordance with the National Association of Insurance Commissioners accounting practices and procedures manual and rules adopted by the Insurance Commissioner;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for the purpose of accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 892, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 892, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Ito, Keith-Agaran and Marumoto.
Managers on the part of the House.
(Representative Ito was excused.)

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

(Senator Hemmings was excused.)

Conf. Com. Rep. 76 on S.B. No. 1069

The purpose of this measure 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 measure also specifies that any transfer of property in the Kakaako makai area of the District to any 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.

Your Committee finds that the Council is a diverse group of stakeholders who have worked for two years to develop a vision and guiding principles for the development of the Kakaako makai area. Your Committee understands that the HCDA will include the Council in the next process, which is to develop a master plan and rules for the Kakaako makai area, and this measure will ensure the Council's role in that process.

Your Committee has amended this measure by:

- (1) Clarifying the boundaries of the Kakaako makai area to mean the area within the District that is from the east side of Kewalo basin at the ewa wall of Ala Moana Park, to Forrest Avenue, and from Ala Moana Boulevard to the ocean; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1069, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1069, S.D. 1, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 77 on S.B. No. 1107

The purpose of this measure is to provide transparency, accountability, and efficiency in the Real Estate Commission's condominium education programs by merging the Condominium Management Education Fund into the Condominium Education Trust Fund.

Your Committee finds that this measure is intended to promote transparency for and accountability to the individual condominium owners who pay into the Condominium Education Trust Fund through payment of association fees. Accordingly, your Committee notes that the provision in section 514B-73(d)(1), Hawaii Revised Statutes, which requires a statement reflecting which educational programs were directed specifically at the education of condominium owners, is intended to ensure that education programs that benefit individual condominium owners, and not just condominium boards, are provided. This reporting requirement will help ensure that individual condominium owners receive education regarding their rights and responsibilities under condominium property regimes.

Your Committee has amended this measure by:

- (1) Clarifying that all payments that have previously been deposited into the Condominium Management Education Fund pursuant to sections 514A-40(c), 514A-131, 514A-132, and 514A-133, Hawaii Revised Statutes, shall be deposited into the Condominium Education Trust Fund as provided in sections 514B-71, 514B-72, and 514B-73, Hawaii Revised Statutes;
- (2) Specifying that the report to the Legislature required under section 514B-73(d), Hawaii Revised Statutes, shall include a statement of which educational programs were directed toward the education of condominium owners and a line item reflecting the total amount collected from condominium associations; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1107, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1107, S.D. 2, H.D. 2, C.D. 1.

Representatives Wakai, Keith-Agaran and Marumoto.
Managers on the part of the House.
(Representative Marumoto was excused.)

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

Conf. Com. Rep. 78 on S.B. No. 1259

The purpose of this measure is to amend chapter 128D, Hawaii Revised Statutes, in order to promote the cleanup and reuse of contaminated properties by:

- (1) Providing relief for bona fide prospective purchasers and innocent contiguous property owners from liability under chapter 128D, Hawaii Revised Statutes; and

- (2) Establishing consistency between state and federal laws after the passage of the federal Small Business Liability Relief and Brownfields Revitalization Act, P.L. 107-118.

Your Committee on Conference has amended this measure by:

- (1) Conforming statutory references and citations to more closely mirror the federal statute;
- (2) Changing its effective date from "January 1, 2046" to "upon its approval"; and
- (3) Making a technical, nonsubstantive amendment for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1259, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1259, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 79 on S.B. No. 1338

The purpose of this measure is to prohibit real estate contracts, agreements, and rules from precluding or rendering ineffective the use of clotheslines on the premises of single-family dwellings or townhouses.

Your Committee on Conference finds that use of clotheslines decreases the amount of energy used by households by as much as ten per cent, which is not only beneficial for the environment, but can also substantially reduce such households' monthly electricity bill. Your Committee on Conference also finds that this measure strikes a good balance between the competing goals of allowing single-family dwelling and townhouse residents to use clotheslines and authorizing homeowners associations to set reasonable rules regarding the use of clotheslines.

Your Committee on Conference has amended this measure by changing its effective date from "July 1, 2020" to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1338, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1338, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Cabanilla, Coffman, Chong and Ward.
Managers on the part of the House.
(Representative Chong was excused.)

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

Conf. Com. Rep. 80 on S.B. No. 19

The purpose of this measure is to provide a procurement preference to a contractor in a public works construction contract of not less than \$250,000 if the contractor is a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations at the time of general bidding.

Your Committee on Conference finds that 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 on Conference has amended this measure by correcting statutory cross-references to the appropriate section in chapter 103D, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 19, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 19, S.D. 1, H.D. 2, C.D. 1.

Representatives Rhoads, Yamashita and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 81 on S.B. No. 1

The purpose of this measure is to rehabilitate the natural populations of all Hawaiian opihī species and establish a new direction for the management of the fishery.

Specifically, this measure:

- (1) Establishes a five-year moratorium on the harvesting of opihi on Oahu; and
- (2) Establishes a ban on taking or harvesting opihi statewide, subject to open and closed seasons and the traditional rights of certain ahupuaa tenants.

Your Committee finds that breeding adult opihi needs to be protected to ensure opihi populations will replenish themselves. Opihi have free swimming larvae which can disperse from the no take areas into areas where harvest is legal. Oahu requires more drastic actions to rehabilitate its opihi populations due to overharvesting.

Your Committee has amended this measure by:

- (1) Amending the closed seasons to be from February 1st through May 31st and September 1st through November 30th, to accurately reflect the opihi breeding cycles;
- (2) Including a bag limit for the open seasons of one quart of opihi with shells attached, or one half pint of opihi without shells attached, per day; and
- (3) Amending the effective date to upon approval while retaining the June 30, 2014, repeal date.

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

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

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

Conf. Com. Rep. 82 on S.B. No. 1268

The purpose of this measure 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.

Your Committee finds that private-sector development of affordable homes for DHHL beneficiaries is a key element in helping to solve Hawaii's affordable housing shortfall. By increasing the supply of homes on DHHL properties, the overall supply of homes in the State is increased, thus making more homes available for the people of Hawaii. Allowing affordable housing credits to be applied to other projects located in the same county in which the credits are earned may serve as an incentive for the private sector to participate with the DHHL affordable housing program.

Your Committee has amended this measure by:

- (1) Creating a new subsection of 46-15.1, Hawaii Revised Statutes, to require that each county issue affordable housing credits to DHHL upon request;
- (2) Removing the county approval process of any transfer of the issued affordable housing credits; and
- (3) Changing the repeal date of the measure to June 30, 2015 and providing, upon such repeal, for the reenactment of section 46-15.1, Hawaii Revised Statutes, in the form in which it read on the day before the enactment of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1268, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1268, S.D. 2, H.D. 1, C.D. 1.

Representatives Carroll, Cabanilla, Sagum, Chong, Shimabukuro and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 83 on S.B. No. 91

The purpose of this measure is to update and improve services provided by the Community-based Economic Development Technical and Financial Assistance Program 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 Community-based Economic Development from \$500,000 to \$250,000; and

- (4) Reducing the maximum interest rate for loans from ten to six percent.

Your Committee on Conference finds that it is fiscally responsible to authorize the Hawaii community-based economic development revolving fund to receive monies from sources other than the general fund. Your Committee also finds that this measure will allow community-based organizations in the State to keep pace with the changing economy. Your Committee further finds that it is the right time to revise chapter 210D, Hawaii Revised Statutes, in order to help community-based organizations meet the challenges of the most distressed communities in this State.

Your Committee on Conference has amended this measure by:

- (1) Clarifying its purposes;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 91, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 91, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 84 on S.B. No. 536

The purpose of this measure 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, with assistance from a temporary advisory committee, to develop a statewide starlight reserve strategy and intelligent lighting and light pollution law.

Your Committee on Conference finds that the quality of the night sky in Hawaii is unique and is a valuable natural resource that needs to be protected. Your Committee also finds that specific practices and safeguards are necessary to preserve the quality of the night sky in Hawaii for continued astronomical observation that is superior to the rest of the United States. Your Committee further finds that the development and implementation of a starlight reserve strategy will help to prevent the night sky in Hawaii from light pollution.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the temporary advisory committee is an advisory "working" committee;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 536, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 536, S.D. 1, H.D. 1, C.D. 1.

Representatives Morita, Ito, Coffman, Evans, Yamashita and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 85 on S.B. No. 1222

The purpose of this measure is to clarify the misdemeanor offense of cruelty to animals in the second degree by including intentionally, knowingly, or recklessly:

- (1) Confining or causing to be confined, in a kennel or cage, any pet animal in a cruel or inhumane manner;
- (2) Tethering, fastening, chaining, tying, or restraining a dog to a dog house, tree, fence, or any other stationary object by means of a choke collar, pinch collar, chain collar, or prong collar, or any restraint that would allow the dog to choke or become entangled; provided that a person is not prohibited from using such restraints when walking a dog with a hand-held leash or while a dog is engaged in a supervised activity.

This measure also:

- (1) Clarifies the definition of "necessary sustenance" to include the requirement that an area of confinement for a cat or dog have adequate space for the cat or dog to stand up, turn around freely, and lie down;
- (2) Decreases from twenty to fifteen, the number of dog, cats, or combination of dogs and cats required to be possessed for the animal hoarding statute to apply; and
- (3) Extends the sunset date of Act 128, Session Laws of Hawaii 2008, relating to animal hoarding from July 1, 2011 to July 1, 2015.

Your Committee on Conference has amended this measure by:

- (1) Deleting amendments to the definition of "necessary sustenance";
- (2) Clarifying the prohibition on dog tethering to delete references to chaining and chain collars; and
- (3) Changing the effective date from July 1, 2050 to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1222, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1222, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 86 on S.B. No. 113

The purpose of this measure is to protect dental patients by authorizing the Board of Dental Examiners to revoke or suspend the license of a dentist for false or misleading advertising.

Your Committee on Conference finds that this measure will strengthen the current statutes regarding sanctions for the false or misleading advertising of licensed dentists who advertise a specialty practice without possessing the appropriate credentials.

Your Committee on Conference has amended this measure by inserting an "upon approval" effective date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 113, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 113, H.D. 1, C.D. 1.

Representatives Yamane, Wakai, Karamatsu and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 87 on S.B. No. 931

The purpose of this measure is to protect public health from the potential spread of disease by authorizing the Department of Health, when the Director of Health finds that reasonable cause exists, to demand entry onto any premises, public or private, for the purpose of securing or collecting any samples necessary to conduct epidemiologic investigations.

Your Committee on Conference finds that the interruption, containment, and prevention of outbreaks of dangerous diseases depend on timely epidemiological investigations that often include the collection of samples to determine the source and track the spread of the disease. One of the most common reasons for the Department of Health to conduct an epidemiologic investigation is the outbreak of food borne disease, such as *E. coli* or salmonella. However, such investigations have been impeded by individuals who fail to cooperate with the Department. This measure remedies the situation by ensuring timely access to samples needed for these investigations to ensure that the public health will not be compromised.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the purpose of entry onto a premises is for an administrative investigation;
- (2) Defining "administrative investigation" to mean any investigation, independent of a criminal investigation, that is conducted for the purpose of determining the existence of disease or series of injuries deemed by the Department to threaten the public health or safety. An administrative investigation may involve the examination of real or personal property, records, equipment, buildings, products, by-products, wastes, processes, activities, environmental conditions (i.e., air, soil, and water quality), or other property or activities;
- (3) Replacing "natural resource, or hazardous material samples" with "environmental samples";
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

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

Representatives Yamane, Ito and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 88 on S.B. No. 932

The purpose of this measure is to improve the early diagnosis of human immunodeficiency virus infections by removing significant procedural barriers to human immunodeficiency virus testing.

Your Committee on Conference finds that this measure will enable early detection and treatment of the human immunodeficiency virus and lower the risk of transmitting the human immunodeficiency virus to others.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 932, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 932, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 89 on S.B. No. 1073

The purpose of this measure 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 and restricted from access by inmates or detainees.

Your Committee on Conference finds that most states across the nation have implemented smoke-free prison systems that have created a healthier environment for inmates and staff alike, reducing the risk of tobacco related diseases.

Your Committee on Conference further finds that the correctional facilities in Hawaii prohibit smoking by inmates. This measure provides the next positive step to establishing a healthier work environment for everyone at the facility.

Your Committee on Conference has amended this measure by inserting a July 1, 2009 effective date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1073, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1073, S.D. 1, H.D. 2, C.D. 1.

Representatives Yamane, Hanohano and Pine.
Managers on the part of the House.

Senators Ige, Espero, Green and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings was excused.)

Conf. Com. Rep. 90 on S.B. No. 1195

The purpose of this measure 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 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 the Department of Business, Economic Development, and Tourism's efforts on those industries;
- (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; and
- (3) Including, in section 226-6(b), Hawaii Revised Statutes, 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.

Your Committee on Conference finds that it is essential to plan for science and technology initiatives that will play an instrumental role in developing Hawaii's economy to enable the State to capitalize on the financial opportunities that emerging industries involving science and technology often present. Your Committee on Conference also finds that requiring the Department of Business, Economic Development, and Tourism to revise the criteria they use in measuring the growth of emerging growth industries in Hawaii will provide the Legislature with a more complete perspective of the economic opportunities available to Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that in updating its reports on the growth of emerging growth industries, the Department shall collaborate with non-profit economic research "activities", rather than "groups";
- (2) Amending section 226-6(a), Hawaii Revised Statutes, to require that the objectives and policies for planning the State's economy shall include objectives aimed at stimulating the development and expansion of activities related to defense, dual-use, and science and technology assets, especially on the neighbor islands, rather than incorporating this as a new policy to achieve the State's general economic objectives in section 226-6(b), Hawaii Revised Statutes;

- (3) Clarifying that in achieving the federal expenditures objective, it shall be the policy of the State to promote Hawaii's supportive role in national defense "in a manner", rather than "while remaining", consistent with Hawaii's social, environmental, and cultural goals;
- (4) Referring to renewable energy development, creative media, and science and technology-based "sectors", rather than activities in describing the potential growth activity objective policy for the State; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1195, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1195, S.D. 1, H.D. 2, C.D. 1.

Representatives McKelvey, Ito, Wakai, Yamashita and Ward.
Managers on the part of the House.
(Representative Wakai was excused.)

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

Conf. Com. Rep. 91 on S.B. No. 764

The purpose of this measure is to alleviate the economic burden on lessees of certain commercial, industrial, and agricultural properties by:

- (1) Requiring, for commercial and industrial leases that include a provision that rental amounts shall be based on a "fair and reasonable" annual rent, that the provision shall be construed to require that rent be fair and reasonable to both the lessor and the lessee, taking into account all relevant attendant circumstances;
- (2) Requiring, for leases of agricultural lands classified by the Land Study Bureau as Class A or B in counties with a population of over 500,000 where the lessee has made improvements or is seeking to make improvements to the land, that renegotiations of the lease shall include an extension of the lease for not less than seventy-five per cent of the original lease term; and
- (3) Prohibiting the amendment of a land use district boundary for Class A or B agricultural lands where:
 - (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 situated lands in the area;
 - (C) The district boundary amendment would harm the productivity or viability of existing agricultural activity in the area; and
 - (D) The district boundary amendment would cause fragmentation of or intrusion of nonagricultural uses into largely intact areas of Class A and B agricultural lands.

Your Committee finds that small businesses are essential to the strength and diversity of Hawaii's economy. Your Committee further finds that despite their contribution to the State's economy, small businesses are at a disadvantage in terms of land ownership since the commercial and industrial properties that exist within the State's urban districts are primarily owned by a few landowners who lease parcels of land to small businesses. Your Committee finds that the proximity of small businesses to urban communities is a stabilizing factor, in terms of both localized economy and neighborhood character, that is especially important during the current recessionary period.

Your Committee finds that this measure will help to stabilize Hawaii's economy by addressing some of the burdensome or vague provisions of existing commercial and industrial leases of certain lands within urban districts without substantial reduction in the economic benefit to landowners, without impairing existing lease contracts, and without the taking of any property rights without due process of law.

Your Committee has amended this measure by:

- (1) Deleting the portions of this measure that apply to agricultural lands;
- (2) Deleting provisions that specified that interpretation of "fair and reasonable" rental amount shall include consideration of:
 - (A) Past renegotiation practices and policies throughout the previously renegotiated lease rents; and
 - (B) The gross income generated by the lessee on the renegotiation date;
- (3) Specifying that the renegotiation of rent provisions shall apply to a lessee who is a master lessee only if:
 - (A) The master lessee agrees to limit any sublease rental amounts renegotiated or renewed to the lesser of the "fair and reasonable" amount or the rental amount as calculated under the renewal or renegotiation provisions of the sublease; or
 - (B) The master lessee agrees to make a good faith effort to require a sublessor who subleases to another person to limit any sublease rental amount renegotiated or renewed to the lesser of the "fair and reasonable" amount or the rental amount as calculated under the renewal or renegotiation provisions of the sublease;
- (4) Defining "sublease" to mean a conveyance subleasing privately owned land by a master lessee or sublessor to any person or entity in consideration of a return of rent or other remuneration;
- (5) Adding a savings clause;
- (6) Changing the effective date to July 1, 2009;

- (7) Adding a provision to repeal this Act on June 30, 2010 and specifying that this Act does not apply to any lease or sublease scheduled for renegotiation after June 30, 2010; and
- (8) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 764, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 764, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 92 on S.B. No. 1005

The purpose of this measure is to encourage and protect artists and other persons in Hawaii's performing arts and related industries for an unspecified number of years after death by:

- (1) Establishing a property right in the commercial use of a person's name, voice, signature, or likeness;
- (2) Providing remedies for infringements on the right;
- (3) Providing for an unspecified amount for a minimum damages award for infringement upon the right granted by this measure;
- (4) Requiring all transferees of publicity rights to register with the Department of Commerce and Consumer Affairs; and
- (5) Providing that common law rights or other statutory rights, whether derived from state or federal law.

Your Committee on Conference finds that protecting an individual or personality's publicity rights will be invaluable to writers, composers, and recording artists in Hawaii. These individuals deserve to have confidence that the laws of Hawaii protect the commercial value of their name, voice, signature, photograph, or likeness. Your Committee on Conference also finds that this measure tempers the exploitation of the names, voices, signatures, photographs, and likenesses of a deceased individual or personality without any compensation to their heirs.

This measure is based upon a law in the State of Washington that has sustained minimal challenges in its enforcement over the past decade. As such, as your Committee on Conference sought to address various concerns raised by representatives of the recording and motion picture industries, as well as those involved in online commerce, and your Committee on Conference believes that it has balanced the interests of performing artists and their heirs against the commercial needs of well-established music, film, digital media and other Internet-based industries.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition for "characteristic";
- (2) Amending the definition of "likeness" to include a photograph;
- (3) Adding a definition for "photograph";
- (4) Adding a definition for "publicity rights trade name registration", which exempts any potential liability or duty for the Department of Commerce and Consumer Affairs related to a trade name registration;
- (5) Adding that the individual's rights protected in this measure are exclusive to the individual, or other entitled persons, for a period of seventy years after the death of the individual;
- (6) Clarifying that the statutory damages for the infringement of a right protected in this measure to be the greater of \$10,000 or the actual damages sustained from the infringement;
- (7) Providing that the search of an individual's name on an internet search engine shall be exempt from statutory damages;
- (8) Providing that a court may order the impounding, destruction, or reasonable impounding of all materials used in violation of the injured party's rights pursuant to Rule 65 of the Hawaii Rules of Civil Procedure;
- (9) Providing that the property of a common carrier, internet service provider, internet search engine provider, or other similarly situated entity shall be exempt from the destruction or reasonable disposition requirements, unless that entity receives written notice of the infringement, pursuant to 17 United States Code section 512(c), and fails to remove the material expeditiously after receipt of the written notice;
- (10) Adding that the use or authorization to use a display in a certain manner shall be exempt from the restrictions provided for in this measure;
- (11) Deleting the registration requirements with the Department of Commerce and Consumer Affairs for transferees to bring an action or recover damages from an infringement action;
- (12) Deleting the requirement for the Department of Commerce and Consumer Affairs to maintain a registry of all transferees;
- (13) Adding the requirement for a licensee to use the publicity rights trade name registration of another individual or personality, for the licensee to first inform the individual or personality in writing of the pending assignment or license to use their publicity rights trade name registration;

- (14) Providing a licensee with a complete defense to an infringement action if the licensee receives a bona-fide publicity rights trade name registration;
- (15) Deleting section -9, pertaining to common law rights or other statutory rights, whether derived from state or federal law;
- (16) Changing the effective date to upon approval; and
- (17) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1005, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1005, S.D. 2, H.D. 2, C.D. 1.

Representatives McKelvey, Manahan, B. Oshiro, Choy, Tokioka and Ward.
Managers on the part of the House.
(Representatives Choy and Tokioka were excused.)

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

Conf. Com. Rep. 93 on S.B. No. 1206

The purpose of this measure 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 intent of your Committee on Conference is to enable the various county boards of water supply to issue revenue bonds, in counties with a population of at least five hundred thousand persons. Your Committee finds that current economic conditions make it necessary to develop additional sources of funds for the acquisition and distribution of potable water.

Your Committee on Conference has amended this measure by:

- (1) Restructuring the amending language to clarify that all boards in counties with a population of 500,000 persons or more are authorized to issue revenue bonds in the board's own name, if authorized to do so by county charter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1206, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1206, S.D. 1, H.D. 1, C.D. 1.

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

Senators English, Kim and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 94 on S.B. No. 1665

The purpose of this Act is to enhance the workforce development capacity of Hawaii's community colleges by:

- (1) Establishing a skilled worker and business development center at each community college to provide workforce development to meet the rapidly evolving needs of both employers and employees;
- (2) Establishing an advisory board for the skilled worker and business development center;
- (3) Requiring a progress report to the 2010 Legislature; and
- (4) Appropriating unspecified moneys out of the unemployment trust fund from moneys deposited pursuant to section 383-123(b), Hawaii Revised Statutes, for the purpose of the Act.

Your Committee on Conference finds that skilled worker and business development centers that would be established by this measure are particularly critical in responding to the economic downturn that the State faces in the foreseeable future.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$2,400,000 for fiscal year 2009-2010 out of the unemployment trust fund, with \$200,000 to each community college of the University of Hawaii System; and
- (2) Making the effective date of this Act July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1665, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1665, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Rhoads, Yamashita, Coffman, Nakashima and Pine.
Managers on the part of the House.
(Representatives Rhoads and Pine were excused.)

Senators Tokuda, Takamine, Kim and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 95 on S.B. No. 1223

The purpose of this bill is to 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 identify labeling issues relating to the Hawaii-made Products Law and propose workable solutions, including solutions for enforcement.

Your Committee finds that the "Made in Hawaii" label is an important designation and should be a clear indication that a product was produced in Hawaii and is substantially composed of materials from Hawaii. Your Committee further finds that preserving the integrity of the "Made in Hawaii" label is important from an economic standpoint as well as to honor the local artisans who keep native traditions alive through art. A meaningful "Made in Hawaii" label benefits local artisans and craftspersons who are currently forced to compete at an unfair disadvantage in the marketplace against unethical producers who unfairly imply that mass-produced, imported, or counterfeit goods are made in Hawaii through labeling or other means. The "Made in Hawaii" label also benefits the tourism industry when high-quality unique goods are presented across the world as examples of Hawaii's culture.

Your Committee further finds that the "Made in Hawaii" label was never intended to function as a barrier to commerce for manufacturers of food and other perishable items that employ many Hawaii residents and use the largest possible amount of locally produced raw materials or ingredients. Accordingly, your Committee finds that it is appropriate to specify that perishable consumer commodities containing ingredients that originate both inside and outside of the State may be identified as Hawaii products as long as at least fifty-one per cent of the wholesale value of the perishable consumer commodity is added by manufacture, processing, or production within the State.

Finally, your Committee finds that the working group created by this measure is intended to serve as a means for the full spectrum of stakeholders to participate in the regulation of made in Hawaii products. Your Committee encourages the members of the working group to consult openly with each other and with other interested parties, including representatives from the counties.

Your Committee has amended this measure by:

- (1) Adding a definition of "craft item";
- (2) Adding a definition of "perishable consumer commodity";
- (3) Clarifying the prohibition on using the phrase "Made in Hawaii" as an advertising tool for craft items that are not manufactured, assembled, fabricated or produced within the State and that have not had at least fifty-one per cent of wholesale value added within the State;
- (4) Adding a provision to prohibit the use of the phrases "Made in Hawaii", "Produced in Hawaii", "Processed in Hawaii", or other misrepresentation of the local origin of perishable consumer commodities through the use of labels or advertising unless the perishable consumer commodity is wholly or partially manufactured, processed, or produced within the State and has had at least fifty-one per cent of its wholesale value added within the State;
- (5) Revising the composition of the working group created by this measure to remove representatives of the counties and to include representatives of Hawaii Farm Bureau Federation, Hawaii Food Manufacturers Association, and Hawaii Food Industry Association;
- (6) Adding a savings clause;
- (7) Changing the effective date to July 1, 2009; and
- (8) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1223, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1223, S.D. 1, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 96 on S.B. No. 539

The purpose of this measure 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 establishing a Reentry Intake Services Division within the Department of Public Safety under chapter 353C, Hawaii Revised Statutes.

This measure also requires the newly established Reentry Intake Services Division to:

- (1) Work closely and collaborate with county furlough programs managed by the Department's Institutions Division, the Department's Corrections Program Services Division, and the Hawaii Paroling Authority; and
- (2) Assume the programs and services of the Department's existing Intake Service Center Division.

Your Committee on Conference finds that expanding upon the services and programs that the existing Intake Service Center Division provides to include reentry services and programs is complementary to the initiatives and goals of the existing Intake Service Center Division. Your Committee on Conference also finds that requiring close collaboration with the furlough programs of each county, the Hawaii Paroling Authority, and the Corrections Program Services Division will ensure that the reentry needs of inmates will be met in a successful manner. However, your Committee on Conference believes that these statutory provisions are more appropriately placed in chapter 353, Hawaii Revised Statutes, relating to Corrections.

Your Committee on Conference has amended this measure by:

- (1) Establishing "Reentry Intake Service Centers", rather than a Reentry Intake Service Division, by renaming the Intake Service Centers currently established in section 353-10, Hawaii Revised Statutes;
- (2) Requiring the renamed Centers to assume the additional responsibility of providing for the successful reentry of inmates into the community by evaluating and addressing the present and future reentry needs of inmates and working closely and collaboratively with furlough programs in the counties, the Hawaii Paroling Authority, and the Corrections Program Services Division;
- (3) Sunsetting the Legislative Oversight Committee established by section 353H-21, Hawaii Revised Statutes;
- (4) Requiring the establishment of a Reentry Commission within the Department of Public Safety to work with the Department in monitoring and reviewing the comprehensive offender reentry program;
- (5) Changing the effective date to September 1, 2009; and
- (6) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 539, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 539, S.D. 1, H.D. 1, C.D. 1.

Representatives Hanohano, M. Lee, Aquino and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Espero, Bunda, Kidani and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings voted no.)

Conf. Com. Rep. 97 on S.B. No. 851

The purpose of this measure is to bring Hawaii's child support enforcement laws into conformance with federal law.

Your Committee finds that the state child support enforcement law does not comply with Title IV-D of the Social Security Act in that it:

- (1) Provides for the unnecessary expenditure of funds in the disbursement of support moneys to custodial parents and requires original copies of certified mail receipts for proof of service;
- (2) Is ambiguous as to whether other state child support enforcement agencies may enforce child support liens of this State; and
- (3) Exposes obligors to identity theft by requiring an obligor's full social security number on the notice of child support lien.

Your Committee finds that this measure addresses the foregoing concerns by:

- (1) Clarifying the requirement that all income withholding payments be sent to the Child Support Enforcement Agency or to another state's child support agency acting under Title IV-D of the Social Security Act;
- (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 the Child Support Enforcement Agency to determine a method that complies with Title IV-D of the Social Security Act;
- (3) Accepting an electronic copy or facsimile of a signature on certified mail receipts as sufficient proof of service in lieu of an actual signature, also saving postage costs;
- (4) Clarifying that the child support enforcement agencies in other states acting under Title IV-D of the Social Security Act may directly enforce a child support lien, acknowledging the federal law's provision of full faith and credit to child support liens arising in other states;
- (5) Clarifying that payments from a financial institution may be made directly to the entity seeking to enforce the lien without the involvement of the Child Support Enforcement Agency, provided that the financial institution complies with the State's procedural rules; and
- (6) Requiring that only the last four digits of the obligor's social security number be indicated on the notice of child support lien.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 851, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 851, S.D. 1, H.D. 3, C.D. 1.

Representatives Mizuno, Ito, Brower, Shimabukuro and Ward.
Managers on the part of the House.

(Representatives Ito and Ward were excused.)

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

Conf. Com. Rep. 98 on S.B. No. 464

The purpose of this measure 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 under certain circumstances.

Your Committee on Conference finds that making this tax credit refundable at a reduced level will enable the solar industry in Hawaii to expand its role as an engine of economic stimulus and job creation in the current recessionary environment. Last year, the solar industry grew five hundred per cent and further room for growth remains. At present, the solar industry is responsible for approximately two thousand jobs in Hawaii, but the market is artificially capped by inconsistencies in the tax code that make it virtually impossible for most would-be investors to use the credit. Without access to this tax credit, solar projects in Hawaii are not financially viable.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date from "July 1, 2020" to "July 1, 2009";
- (2) Making it applicable to taxable years beginning after December 31, 2008; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 464, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 464, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, M. Oshiro, Coffman and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 99 on S.B. No. 695

The purpose of this measure is to require an employer to continue paying for medical services for an injured employee despite disputes over whether treatment should be continued, until the Director of Labor and Industrial Relations determines whether medical services should be continued.

Your Committee finds that continuing medical treatments for an injured employee, until a decision is rendered by the Director of Labor and Industrial Relations on the appropriateness of the treatment, provides appropriate protections for injured employees while also allowing employers and insurers to recover benefits paid past the deadline for allowed treatment.

Your Committee, upon further consideration, has amended this measure by changing the effective date from July 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 695, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 695, S.D. 1, H.D. 1, C.D. 1.

Representatives Rhoads, M. Oshiro, Souki, Yamashita and Ward.
Managers on the part of the House.
(Representative Souki was excused.)

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

Conf. Com. Rep. 100 on S.B. No. 1664

The purpose of this measure is to clarify and temporarily codify the implementation of the Department of Labor and Industrial Relations' partial unemployment system.

Your Committee finds that clarification and codification of the partial unemployment system would help employers retain employees' loyalty and productivity during the current recession and help smooth transitions in hiring and training as businesses recover from the recession.

Your Committee upon further consideration has made the following amendments to S.B. No. 1664, S.D. 2, H.D. 2:

- (1) Amending the restrictions under which the Department of Labor and Industrial Relations may extend partial unemployment beyond eight consecutive weeks of total unemployment to include but not be limited to certain conditions;
- (2) Changing the effective date from July 1, 2020, to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1664, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1664, S.D. 2, H.D. 2, C.D. 1.

Representatives Rhoads, Yamashita, Aquino and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 101 on S.B. No. 1250

The purpose of this measure is to amend and make permanent those provisions related to emergency hires by clarifying that:

- (1) No individual may be employed on an emergency basis for more than three years in the aggregate; and
- (2) Unlicensed teachers employed 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.

Your Committee on Conference finds that aligning Hawaii's teacher licensure requirements with the criteria for highly qualified teachers as prescribed by the No Child Left Behind Act is a critical component of meeting the federal requirements. Your Committee on Conference supports this intent, but believes some flexibility is necessary to address the State's continuing teacher shortage.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that no individual may be employed by the Department of Education on an emergency basis for more than four years in the aggregate, beginning July 1, 2009;
- (2) Deleting provisions related to unlicensed individuals employed on an emergency basis after June 30, 1997, but prior to July 1, 2008;
- (3) Deleting the amendment to Act 125, Session Laws of Hawaii 2008, which would have made permanent the amendments to section 302A-804, Hawaii Revised Statutes, by Act 125;
- (4) Making the Act effective July 1, 2009;
- (5) Amending the findings and purpose section to reflect the above changes; and
- (6) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1250, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1250, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Rhoads, C. Lee, Nakashima and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 102 on S.B. No. 1218

The purpose of this measure is to bring Hawaii into compliance with federal law by implementing the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Mortgage Licensing Act of 2008).

Your Committee finds that this measure complies with the requirements of the federal S.A.F.E. Mortgage Licensing Act of 2008. Your Committee further finds that the purpose of the S.A.F.E. Mortgage Licensing Act of 2008 is to "to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud" by encouraging the states to regulate the mortgage industry. Your Committee notes that this measure is based on a model act prepared by the Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators that the United States Department of Housing and Urban Development has approved as compliant with the federal law.

Your Committee notes that, under the S.A.F.E. Mortgage Licensing Act of 2008, failure of the State to implement conforming legislation would result in abdication of the State's right to regulate the mortgage industry and assignment of that right to the federal Department of Housing and Urban Development. Your Committee finds that this result would be unacceptable as it is critical that the State retain its right to respond to unique local circumstances in regulating the mortgage industry.

Your Committee notes that this measure establishes the regulatory framework mandated by federal law, but recognizes that this new framework will remain subject to additional improvements as the Division of Financial Institutions (Division) implements the provisions of this measure. Your Committee notes that this measure calls on the Commissioner of Financial Institutions (Commissioner) to report to the Legislature on the Division's process of implementing this measure, including guidance from the Department of Housing and Urban Development, and to make recommendations for further legislation. It is the intent of your Committee that the Commissioner's report serve as the basis for cooperation between the Division and the Legislature to effectively implement this measure. Finally, your Committee finds that the fee structure contained in this measure will allow the mortgage originator regulatory system to be financially self-sufficient.

Your Committee has amended this measure by:

- (1) Adding a findings and purpose section;

- (2) Deleting the definitions of "agent", "borrower", and "mortgage loan origination agreement";
- (3) Specifying that "individual" means a natural person;
- (4) Clarifying that an individual required to be licensed as a mortgage loan originator shall obtain licensure by August 1, 2010, or such later date approved by the United States Department of Housing and Urban Development pursuant to authority granted under Public Law 110-289, section 1508(e);
- (5) Specifying that the requirements of federal or state law regarding privacy and confidentiality of information shall apply to information or material that has been disclosed to the Nationwide Mortgage Licensing System;
- (6) Specifying that the person who holds a privilege relating to information provided to the Nationwide Mortgage Licensing System has discretion to waive that privilege in whole or in part;
- (7) Adding a provision to grant the Commissioner the authority to control access to or take possession of the documents or records of a person under examination or investigation;
- (8) Adding provisions to grant the Commissioner the authority to retain personnel, cooperate with other government officials or regulatory agencies, procure analytical systems or software, rely on investigation reports by other government officials, and accept audit reports from independent certified public accountants in the conduct of investigations or examinations;
- (9) Adding a provision to specify that the Commissioner's authority to conduct examinations or investigations is effective regardless of whether the licensed mortgage loan originator, individual, or person subject to regulation under this measure purports to act pursuant to any licensing or registration law of this State;
- (10) Adding a provision to prohibit any licensed mortgage loan originator, individual, or person subject to investigation or examination from knowingly withholding, abstracting, removing, mutilating, destroying, or secreting any books, records, computer records, or other information;
- (11) Amending the definition of "creditor" to include mortgage solicitors;
- (12) Excluding the officers, directors, partners, members, managers, employees, and agents of an applicant for licensure as a mortgage loan originator from the Department of Commerce and Consumer Affairs' authority to conduct criminal background checks;
- (13) Adding a new provision to specify that as of August 1, 2010, no new license or renewal of a license shall be issued under chapter 454, Hawaii Revised Statutes;
- (14) Adding a new provision to specify that as of the date that an individual is required to be licensed under this measure, the remaining pro rata balance of the fees paid by that individual pursuant to chapter 454, Hawaii Revised Statutes, shall be applied to the individual's fees due under this measure;
- (15) Adding a new provision to specify that an individual shall not be subject to chapter 454, Hawaii Revised Statutes, as of the effective date of that individual's license under this measure;
- (16) Requiring the Commissioner to report to the Legislature regarding the implementation of this measure including budget recommendations, developments in federal law, guidance from the United States Department of Housing and Urban Development, and recommendations for further legislative action;
- (17) Specifying that the sum of \$159,400 is appropriated out of the Compliance Resolution Fund to carry out the purposes of this measure;
- (18) Changing the effective date of this measure to July 1, 2009; provided that sections 2, 3, 4, 6, and 7 shall take effect in July 1, 2010; and
- (19) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1218, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1218, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, B. Oshiro, Keith-Agaran and Marumoto.
Managers on the part of the House.
(Representative Marumoto was excused.)

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

Conf. Com. Rep. 103 on S.B. No. 1164

The purpose of this measure 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.

Your Committee on Conference finds that the Interstate Compact on Educational Opportunity for Military Children provides standards addressing issues such as enrollment, placement, and graduation of children whose parents are active duty service members or recent veterans of the military. Rather than suffering frustrations and delays, this Compact would allow military children to integrate quickly into and transition out of Hawaii's classrooms, and greatly improve their quality of life and access to education.

Your Committee on Conference and the Legislature appreciate the support of the Joint Venture Education Forum, which will be funding the membership dues and travel costs for at least the first year.

Your Committee on Conference has amended this measure to correct a citation of the United States Code with regard to active duty members of the uniformed services, to read: "...pursuant to 10 United States Code Section 101(d)(1) and Section 101(d)(6)(A)."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1164, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1164, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, McKelvey, C. Lee, Evans and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Espero, Tsutsui, Kidani and Hemmings.
Managers on the part of the Senate.
(Senators Kidani and Tsutsui were excused.)

Conf. Com. Rep. 104 on S.B. No. 266

The purpose of this measure is to establish a climate change task force within the Office of Planning to begin an investigation of the current and potential impacts of global warming and climate change on the people, natural resources, and economy of the State.

Your Committee on Conference finds that, although the Legislature has taken actions to address the reduction of greenhouse gas emissions through the passage of Act 234, Session Laws of Hawaii 2007, strategies to focus on adaptation still need to be investigated and implemented. This measure is intended to provide a method of developing such strategies.

Your Committee on Conference finds, however, that the task force could benefit from the input of members appointed by the Department of Transportation, the Board of Land and Natural Resources, the Office of Civil Defense, the counties, the Center for Island Climate Adaptation and Policy, and the Joint Institute for Marine and Atmospheric Research. Additionally, your Committee on Conference finds that the Department of Business, Economic Development, and Tourism is adequately represented by the participation of the Office of Planning on the task force and that the inclusion of a representative from the Department of Business, Economic Development, and Tourism is redundant.

Your Committee on Conference urges the task force to also solicit input from the military and the Building Industry Association.

Your Committee on Conference also finds that the requirement that the task force conduct an assessment of the conditions and impacts from global warming and climate change on various segments of the State may be too broad an undertaking for the task force. Your Committee on Conference understands that "scoping" is the first step in initiating a climate change study. This constitutes a broad investigation of the social, economic, cultural and environmental sectors that will be impacted by climate change, in a manner that will be location-specific. By contrast, in the realm of hazard mitigation, of which the effects of climate change lie, risk and vulnerability assessments use information gathered during the scoping to determine the risk to exposed populations and property and the extent of injury and damage that may result from a hazard event. An assessment, then, is much more time- and cost-intensive than the scoping step.

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

- (1) Adding to the task force, members representing the Department of Transportation, the Board of Land and Natural Resources, the Office of Civil Defense, the counties, the Center for Island Climate Adaptation and Policy, and the Joint Institute for Marine and Atmospheric Research;
- (2) To avoid redundancy, deleting from the task force a representative from the Department of Business, Economic Development, and Tourism, due to the inclusion of a representative of the Office of Planning on the task force;
- (3) Narrowing the breadth of the investigation to be conducted by the task force to "scoping", rather than "assessing" the conditions and impacts described in the measure;
- (4) Changing the extent of support to be provided by the Office of Planning;
- (5) Revising the duties of the task force relating to recommendations to be made to the Legislature by including greater detail for items such as public utilities and infrastructure, and deleting the emphasis on maintaining native species, while increasing the emphasis on preserving different types of ecosystems;
- (6) Changing the appropriation amount from an unspecified amount to \$50,000 for each of the fiscal years 2009-2010 and 2010-2011;
- (7) Changing the effective date of the measure from "July 1, 2020" to "July 1, 2009"; and
- (8) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 266, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 266, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 105 on S.B. No. 1224

The purpose of this measure 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.

Your Committee on Conference finds that airport concessions need continuing relief to that previously provided by Act 201, Session Laws of Hawaii 2004, and Act 128, Session Laws of Hawaii 2006, similar temporary enactments that have since sunset. However a few concessions are left that could not obtain rent relief in time of the sunset of those prior Acts. These Acts are necessary because the concession contracts are awarded pursuant to competitive sealed bids which cannot be amended without enabling legislation, in the interests of fairness to all bidders.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to more accurately reflect the amended measure;
- (2) Removing the provisions that:
 - (A) Require a concession to be withdrawn by the Department of Transportation and rebid or negotiated within six months, if requested by the concessionaire, if negotiations granting relief to certain concessionaires fail within one hundred twenty days following the effective date of the measure or an agreed extension between the parties; and
 - (B) Prohibit a concessionaire from requesting a withdrawal and rebid or withdrawal and renegotiation if the concessionaire has refused to accept relief from the Department of Transportation under certain circumstances;
- (3) Requiring negotiations for relief for a concession to commence within ninety days or within any extension agreed to between the Governor or the Governor's designee and a concessionaire from the date of mailing of a written request for relief to the Governor;
- (4) Clarifying that the rent may be adjusted, rather than reduced or waived, and terms may be added to the concession lease or contract;
- (5) Granting the Governor or the Director of Transportation, if so directed by the Governor, similar and fair relief ("fair and reasonable relief" in H.D. 2) to concessionaires whose concessions have suffered operating losses, including concessionaires who have suffered reduced business or other losses;
- (6) Deleting the provision that considered granting certain lease or contract provisions to be within the Governor or Director of Transportation's discretion;
- (7) Including under the Governor or the Director of Transportation's discretion and authority to provide relief, a concession lease or contract that remains in effect on or after November 1, 2006;
- (8) Adding statutory cross-references for clarity; and
- (9) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1224, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1224, S.D. 1, H.D. 2, C.D. 1.

Representatives Souki, M. Oshiro, Awana and Pine.
Managers on the part of the House.

Senators English, Kim and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 106 on S.B. No. 1352

The purpose of this measure 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 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 of Conveyances to implement a pilot program for an integrated electronic filing system for electronic recordation of fee time share interests.

Your Committee finds that, due to the nature of time share ownership, it is appropriate to exclude time shares from the Land Court system. The Land Court system was designed to process single, consecutive ownership interests and not multiple, simultaneous interests in a single parcel of land. Inclusion of time shares in the Land Court burdens the system and is one cause of the current backlog. Your Committee is sympathetic to concerns that removal of time share transaction will lead to a loss of revenue for the Land Court; however, it is not in the best interest of the Land Court or the State to preserve an inefficient process merely for the sake of a minor revenue stream that can be recovered in the form of transaction fees or otherwise. It is the intent of your Committee that the Department of Land and Natural Resources (DLNR) collect a transaction fee for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court as a short term solution and review its fee structure as a long term solution to ensure that there is no loss of revenue to the DLNR.

Your Committee is also sympathetic to the concerns raised by employees of the Bureau of Conveyances over the change to registration procedures. Your Committee is persuaded that modernization of the registration and recording process is essential to solve the problem of the current backlog and to prevent a similar reoccurrence in the future. Your Committee is confident that the employer-employee working group established by this measure to find solutions to implementation and revenue issues will address the concerns raised by employees of the Bureau of Conveyances.

Your Committee has amended this measure by:

- (1) Adding a provision to specify that deregistration of time share interests shall not be construed to relieve deregistered land or the owners of deregistered land from any rights or liabilities applicable to deregistered land that are not expressly provided;
- (2) Deleting the proposal that would increase the ceiling on the Bureau of Conveyances Special Fund to \$1,150,000, thereby leaving the special fund ceiling at \$500,000; provided that funds collected for transaction fees as authorized in this measure shall not lapse to the credit of the state general fund;
- (3) Directing rather than authorizing, the Department of Land and Natural Resources to assess the \$5 transaction fee to be charged for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court for services rendered by the Bureau of Conveyances pursuant to part II of chapter 501 and chapter 502, Hawaii Revised Statutes as of July 1, 2009;
- (4) Adding the Land Court Registrar or the Registrar's designee to the membership of the working group created by this measure;
- (5) Changing the effective date of this measure to July 1, 2009; provided that section 2 of shall take effect on July 1, 2011, and shall be repealed on December 31, 2014; provided further that section 16 shall take effect on July 1, 2009, and shall be repealed on the effective date of administrative rules adopted by the department of land and natural resources that address the establishment of transaction fees for each recording in the bureau of conveyances and in the office of the assistant registrar of the land court; provided further that section 17 shall take effect on January 1, 2012; and provided further that section 18 shall take effect upon its approval and shall be repealed on January 31, 2010; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1352, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1352, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Karamatsu, Har, Chong and Ching.
Managers on the part of the House.
(Representatives Chong and Karamatsu were excused.)

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

Conf. Com. Rep. 107 on S.B. No. 1345

The purpose of this measure is to provide fair compensation, including an automatic lease extension, for lessees when the Department of Land and Natural Resources withdraws, takes, or condemns any portion of the leased land that prevents a lessee from using the land for the purposes for which it was originally leased.

Specifically, this measure provides that in addition to any rent reduction or compensation for improvements on withdrawn, taken, or condemned land, the lessee shall be entitled to:

- (1) Compensation for costs attributable to the diminished use of the leased land, including reimbursement for insurance costs and loss of reasonably anticipated income minus operating expenses; and
- (2) An extension on the lease for not more than the number of years remaining in the original lease.

Your Committee finds that the Saddle Road widening project in the County of Hawaii is a good example of a taking of leased land with inadequate compensation for the lessee. In that project, the Department of Land and Natural Resources established conservation easements on leased land used for pasture or special livestock. As a result of the taking, the lessee ranchers suffered serious financial losses over an extended period of time. The intent of this measure is to prevent present and future lessees from experiencing similar situations in the future.

Your Committee has amended this measure by:

- (1) Removing the phrase "minus operating expenses," because your Committee expects the Department of Land and Natural Resources to define in rulemaking the parameters of "reasonably anticipated income";

- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1345, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1345, S.D. 1, H.D. 1, C.D. 1.

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

Senators Hee, Kim, Kokubun, Takamine and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 108 on S.B. No. 1160

The purpose of this measure is to:

- (1) Authorize the Hawaii Public Housing Authority to assess all the units in a state public housing project a fee for the common area expenses of the housing project;
- (2) Eliminate most procedural requirements preliminary to hearings for evictions of tenants of public housing projects;
- (3) Require written notice to delinquent tenants in accordance with federal law;
- (4) Provide that hearings officers appointed by the public housing authority will conduct eviction hearings, rather than eviction boards; and
- (5) Require legislative approval prior to the sale or lease of any project by the Hawaii Public Housing Authority.

Your Committee on Conference finds that the purpose of this measure is to assist the Hawaii Public Housing Authority in administering public housing projects with greater efficiency, for the benefit of both the Authority and public housing tenants.

Your Committee on Conference has amended this measure by:

- (1) Retaining the eviction boards to conduct hearings for evictions from federal low-income housing;
- (2) Requiring hearings officers to conduct hearings for evictions from state low-income housing;
- (3) Requiring the eviction board or hearings officer, in hearings for a tenant who has custody of a school age child or children residing with the tenant, to consider information regarding the tenant's regular participation in school activities or meetings during the current and previous school year from the children's school or schools in making a determination;
- (4) Prohibiting the Hawaii Public Housing Authority from selling any land developed for public housing projects;
- (5) Amending the findings and purpose section to reflect the above changes;
- (6) Making the effective date of the Act July 1, 2009; and
- (7) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1160, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1160, S.D. 2, H.D. 2, C.D. 1.

Representatives Cabanilla, Sagum, Chong and Ching.
Managers on the part of the House.

Senators Sakamoto, Tsutsui, Galuteria, Kidani and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 109 on S.B. No. 109

The purpose of this measure is to adopt the new Interstate Compact for Juveniles.

The compacting states to the Interstate Compact for Juveniles recognize that each state is responsible for the proper supervision or return of juveniles, delinquents, and status offenders who are on probation or parole and who have absconded, escaped, or run away from supervision and control. Setting forth, among other things, the duties, responsibilities, and procedures applicable to the compacting states, the Interstate Commission, and the Hawaii State Council for Interstate Juvenile Supervision, the Interstate Compact ensures joint and cooperative action to promote public safety and the appropriate care and treatment of these juveniles.

With passage of this measure, Hawaii will join the thirty-five other states who have already adopted the new Interstate Compact for Juveniles.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation from general funds of an amount of \$12,000 for fiscal year 2009-2010 and an amount of \$12,480 for fiscal year 2010-2011; and

- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 109, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 109, S.D. 2, H.D. 3, C.D. 1.

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

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

Conf. Com. Rep. 110 on S.B. No. 1461

The purpose of this measure is to advance the filing and payment of monthly general excise taxes that are due to an earlier date in the month following accrual to generate a one-time windfall revenue for the State.

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

- (1) Extending the requirement for accelerated monthly filing and payment to quarterly and semi-annual filing and payment of general excise taxes;
- (2) Requiring any person who is required to electronically file a federal return or electronically remit any federal taxes to the federal government, to also electronically file a state return and electronically remit any state taxes under Title 14, Hawaii Revised Statutes, to the Department of Taxation; provided that the Director of Taxation may grant an exemption for good cause;
- (3) With regard to state income tax, requiring any employer who is required to remit any withheld taxes to the federal government on a semi-weekly schedule, to also remit the complete amount of tax withheld to the state Department of Taxation on a semi-weekly schedule; provided the Director of Taxation may grant an exemption for good cause;
- (4) Changing the effective date to upon approval and applying the measure to returns and payments due after May 31, 2009; and
- (5) Making technical conforming amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1461, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1461, S.D. 2, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy and M. Lee.
Managers on the part of the House.

Senators Kim, Galuteria and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 111 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 pledges or portions of pledges not collected by February 28, 2013, will cause any unexpended balance from the appropriation to revert to the general fund.

Your Committee on Conference has amended this bill by changing the effective date to June 29, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 381, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 381, H.D. 2, S.D. 1, C.D. 1.

Representatives Manahan, M. Oshiro, Tokioka and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 112 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:

- (1) Implementing a salary reduction of five per cent of what public executives and legislators were being paid on June 30, 2009, for a two-year period beginning July 1, 2009; and
- (2) Tying vacation and sick leave to that of collective bargaining unit (13) for a two-year period beginning July 1, 2009.

Along with the rest of the nation, Hawaii, is facing difficult economic times that, according to some, have not been seen since the 1980s or even the Great Depression. Hawaii is grappling with an enormous budget deficit that may increase in the near future. Although salary increases were approved by the Commission on Salaries for members of the executive, legislative, and judicial branches, these increases were approved at a time when Hawaii's economic future looked bright. Your Committee on Conference finds that the current economic downturn and the resulting decline in general fund revenues

necessitate that the heads of all branches of state government share in the sacrifice of salary adjustments. While the reduction of these salaries only amounts to a small savings in relation to the entire deficit, your Committee on Conference finds that in recognition of Hawaii's current fiscal situation, this is a prudent step.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1536, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1536, H.D. 2, S.D. 1, C.D. 1.

Representatives Rhoads, M. Oshiro, Aquino, Belatti and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 113 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.

Your Committee on Conference has amended this bill by:

- (1) Adding claims for judgments and settlements, as recommended by the Department of the Attorney General; and
- (2) Amending the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1016, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1016, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 114 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.

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. Since, under current law, pension distributions from the hybrid plan are not subject to income tax, these rollover or transferred funds 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.

Your Committee on Conference has amended this bill by:

- (1) Further clarifying language to ensure that the state income tax is imposed on distributions from qualified annuity plans and qualified deferred compensation plans by employees who effectively make the distributions to obtain retirement credits under the state employee retirement system;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1550, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1550, H.D. 2, S.D. 1, C.D. 1.

Representatives Rhoads, M. Oshiro, Chong, Choy and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

Senators Kim, Hooser, Kidani, Tsutsui and Hemmings.
Managers on the part of the Senate.
(Senators Tsutsui and Hemmings were excused.)

Conf. Com. Rep. 115 on H.B. No. 952

The purpose of this bill is to protect an employee's right to organize and allow employees easier access to union representation by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board (HLRB) to certify an exclusive representative if a majority of the employees in a unit not currently represented have signed valid authorizations designating a bargaining representative, rather than holding an election to determine such representation;
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative; and
- (3) Making it a violation for an employer to wilfully or repeatedly commit unfair or prohibited practices that interfere with an employee's statutory rights or that discriminate against an employee for exercising protected conduct, subject to a civil penalty of \$20,000 or less per violation.

Historically, the unionization of workers has resulted in increased wages, the lessening of racial and gender disparities in pay, decreased workplace discrimination, and increases in job safety standards. These changes benefit not only unionized workers but all employees.

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. Furthermore, this bill provides protections for workers against actions that would hinder them from exercising this right.

After further consideration, your Committee on Conference finds that the fairness contained in this measure can be improved and made more equitable. Accordingly, your Committee on Conference has amended this bill by:

- (1) Requiring HLRB to adopt rules governing the certification of exclusive union representation;
- (2) Making the streamlined union certification process applicable to employers with an annual gross revenue of \$5 million or more;
- (3) Making the wilful or repeated commission of unfair or prohibited practices applicable to both employers and employees, and changing the civil penalty for such a violation to \$10,000 or less per violation;
- (4) Changing its effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 952, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 952, H.D. 1, S.D. 2, C.D. 1.

Representatives Rhoads, McKelvey, M. Oshiro, Nakashima and Yamashita.
Managers on the part of the House.

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

Conf. Com. Rep. 116 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 (Task Force) established by Act 171, Session Laws of Hawaii 2008 (Act 171). Among other things, this bill:

- (1) Provides that indigent persons qualifying for state-funded ignition interlock devices must have incomes not greater than an unspecified percent of the official poverty line established by the Secretary of Health and Human Services under the Community Services Block Grant Act;
- (2) Requires the Director to select a single vendor to install and maintain ignition interlock devices under the statewide program relating to the certification and monitoring of ignition interlock devices;
- (3) Allows for the emergency override of the ignition interlock system when such override is necessary to promote highway safety;
- (4) Amends various periods of administrative revocation of license and privilege to operate a vehicle, based on the number of prior alcohol or drug enforcement contacts;
- (5) Provides penalties for failing to install an ignition interlock device during the revocation period;
- (6) Changes the "look back period" for determining whether a driver has had a prior law enforcement contact for an alcohol-related incident, from five years to ten years;
- (7) Specifies that persons committing the offense of operating a vehicle under the influence of an intoxicant (OVUII) shall be guilty of a petty misdemeanor and sentenced without the possibility of the suspension of sentence;
- (8) Amends various other sentencing provisions for persons committing the offense of OVUII;
- (9) Eliminates administrative revocation and criminal sentencing provisions for highly intoxicated drivers;
- (10) Establishes an absolute prohibition from driving during a period of probation if the person on probation does not own or have use of a vehicle in which an ignition interlock device can be installed or the person is otherwise unable to drive during the probation period;

- (11) Eliminates the provision limiting the admissibility of the refusal to submit to a test of a person's breath or blood for legally arrested individuals under the age of 21;
- (12) Establishes mandatory terms of probation for repeat OVUII offenders;
- (13) Eliminates provisions requiring the installation of an ignition interlock device and issuance of an ignition interlock permit for defendants released on bail, recognizance, or supervised release;
- (14) Repeals statutory language regarding the issuance of conditional license permits; and
- (15) Extending the existence of the Task Force for an additional year.

Hawaii has experienced an alarmingly high number of alcohol-related traffic fatalities over the past several years. While enforcement of existing laws governing 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. 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. Several of the initial recommendations of the Task Force are contained in this measure.

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

- (1) Reinstating the below 125 percent of the official poverty line income criteria for indigent persons qualifying for state-funded ignition interlock devices;
- (2) Authorizing the Director to adopt rules pursuant to Chapter 91 to effectuate the provisions dealing with payment for the installation and maintenance of ignition interlock devices for indigent persons;
- (3) Eliminating the provision allowing for emergency override of the ignition interlock system;
- (4) Reestablishing the "look back period" at five, rather than ten, years;
- (5) Removing language specifying that OVUII offenders are guilty of a petty misdemeanor and shall be sentenced without the possibility of the suspension of sentence;
- (6) Reestablishing the maximum prison time for a first offense at five days rather than 30 days;
- (7) Establishing a period of imprisonment of not more than five days for a second offense committed within five years of a prior conviction;
- (8) Establishing a period of imprisonment of up to five days for an offense committed within five years of two prior convictions;
- (9) Changing its effective date to ensure that the intent and purpose of Act 171, Session Laws of Hawaii 2008, and this Act will be enacted and take effect at the appropriate times; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 981, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 981, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Karamatsu, Awana, Har, M. Lee and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 117 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) through the establishment of additional financing options for these projects by:

- (1) Clarifying that the passenger facility charge (PFC) is a charge for the use and services of an undertaking for the purposes and within the meaning of the law relating to the financing of revenue bonds;
- (2) Requiring moneys paid into the Passenger Facility Charge Special Fund (Special Fund) to be appropriated, applied, or expended by DOT for airport capital improvement program projects approved by the Legislature and as permitted by federal law;
- (3) Allowing for the establishment of separate accounts within the Special Fund; and
- (4) Allowing the transfer of PFC moneys into these accounts to pay debt service on bonds issued for the CIPs.

PFCs were authorized by federal law in the 1990s and provide DOT with an additional capital funding source to expand 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, current law is unclear regarding the use of the PFC for the indirect financing of structures through the issuance of bonds. This measure will enable DOT to finance the cost of airport projects with the proceeds of bonds completely or partially backed by the PFC and supplies DOT with the appropriate flexibility needed to fund the expansion of the airport system.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009, and deleting its repeal date; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1166, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1166, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Awana and Pine.
Managers on the part of the House.

Senators English, Kim and Gabbard.
Managers on the part of the Senate.

Conf. Com. Rep. 118 on H.B. No. 1552

The purpose of this bill is to promote and protect living parks as unique cultural and historical assets of this State by:

- (1) Authorizing the Department of Land and Natural Resources to issue long-term residential leases to qualified persons; and
- (2) Establishing a Living Park Planning Council to develop a master plan for each state living park.

Your Committee on Conference has amended this bill by:

- (1) Including a two-year moratorium on evictions of long-term tenants residing in Kahana Valley State Park who meet certain conditions;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1552, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1552, H.D. 2, S.D. 2, C.D. 1.

Representatives Ito, Har, Wooley and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 119 on H.B. No. 610

The purpose of this bill is to focus State economic planning on the growth of science and technology industries by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually update and 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) Focusing the Hawaii State Planning Act's economic objectives and policies on the development and expansion of businesses and activities in science, technology, and related emerging growth industries.

Your Committee on Conference has amended this bill by removing its substance, which is contained in the Conference Draft of another bill, and inserting the House Draft 2 of this bill, in an amended form.

As amended, this bill requires Hawaii EPSCoR, the federally-funded Experimental Program to Stimulate Competitive Research, within the University of Hawaii, to develop the Hawaii State Science and Technology Plan (Plan) with the assistance of the High Technology Development Corporation.

A subcommittee of Hawaii EPSCoR has already begun preparing a plan. This measure requires Hawaii EPSCoR to incorporate its past planning efforts into the Plan, conduct further Plan development in consultation with a broad range of stakeholders, and submit the completed Plan to the Legislature in 2011.

This bill, as amended, becomes effective on July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 610, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 610, H.D. 2, S.D. 2, C.D. 1.

Representatives McKelvey, Choy, Yamashita and Ward.

Managers on the part of the House.

Senators Fukunaga, Tsutsui, Baker and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 120 on H.B. No. 586

The purpose of this bill is to:

- (1) Sunset the Kaneohe Bay Regional Council (Council); and
- (2) Designate the Department of Land and Natural Resources (DLNR) as the agency responsible for exercising the duties and functions of the Council.

Your Committee on Conference has amended this bill by:

- (1) Deleting the section setting forth the duties and functions of the Council to be carried out by DLNR; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 586, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 586, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Har, Wooley and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 121 on H.B. No. 1525

The purpose of this bill is to require the Department of Human Services (DHS) to award all future Medicaid health insurance procurement contracts solely to those nonprofit and for-profit entities that comply with specified annual reporting requirements.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the annual reporting requirements apply only to contracts administered in the state;
- (2) Requiring DHS to include the annual reporting requirements in all Medicaid healthcare insurance plan contracts rather than requiring DHS to solicit proposals for the procurement of Medicaid healthcare insurance contracts from those entities that already comply with the specified reporting requirements;
- (3) Amending language to clarify the annual reporting requirements;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1525, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1525, H.D. 1, S.D. 2, C.D. 1.

Representatives Mizuno, Yamane, Karamatsu, Brower, Shimabukuro and Finnegan.
Managers on the part of the House.
(Representative Karamatsu was excused.)

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

Conf. Com. Rep. 122 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 three-year statute of limitations for the recovery of overpayment of state salaries.

Collecting overpayments of a state employee's salary can be an arduous and often 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 even more troublesome.

Under current law, the State is provided with an unlimited amount of time in which to collect overpayments it made to state employees. On the other hand, 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.

However, additional concerns were raised that in cases where an employee is compensated in an amount greater than or less than that to which the employee was entitled, the individual's average final compensation with regard to his or her retirement pension would be affected. Basing the average final compensation of an employee on what the employee should have been paid appears fair and reasonable.

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

- (1) Decreasing the time limit for recovery of indebtedness from three years from the date of indebtedness to two years;
- (2) Clarifying that the two-year statute of limitations applies only to indebtedness as a result of salary or wage overpayment;
- (3) Stipulating that in cases where an officer, agent, employee, or other person in the service of a jurisdiction is compensated in an amount greater than or less than that to which the person is entitled, the determination of that particular individual's average final compensation shall be based on the compensation the individual should have been paid during that period;
- (4) Changing its effective date to upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 111, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 111, S.D. 2, C.D. 1.

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

Senators Takamine, Kim, Bunda and Slom.
Managers on the part of the Senate.
(Senator Bunda was excused.)

Conf. Com. Rep. 123 on H.B. No. 343

The purpose of this bill is to meet the needs of rural and medically underserved areas and populations in Hawaii in a culturally sensitive and medically appropriate manner by appropriating funds to:

- (1) Support and expand the Family Medicine Residency Program (Program) of the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services; and
- (2) Develop a permanent statewide rural primary health care training program in the county of Hawaii to expand the rural health care training available for individuals in the Program.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$70,000 for fiscal year (FY) 2009-2010, to support and expand the Family Medicine Residency Program at the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services;
- (2) Inserting an appropriation of \$70,000 for FY 2010-2011, to develop a statewide rural primary health care training program in each county, beginning in the county of Hawaii to provide family physicians to rural areas and improve health care access for the people of Hawaii;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 343, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 343, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Chang, Nishimoto, Nakashima and Finnegan.
Managers on the part of the House.
(Representative Nakashima was excused.)

Senators Ige, Tokuda, Tsutsui, Green, Kokubun and Slom.
Managers on the part of the Senate.
(Senators Kokubun and Slom were excused.)

Conf. Com. Rep. 124 on H.B. No. 1692

The purpose of this bill is to:

- (1) Restrict to no more than five years, the length of tenancy for certain tenants in a percentage of units in state public housing projects; and
- (2) Require the Hawaii Public Housing Authority (HPHA) to review federal pilot programs intended to break the cycle of public housing and welfare.

Your Committee on Conference has amended this bill by:

- (1) Replacing the limitation on length of tenancies in all state public housing projects with a pilot project in a designated state low-income housing project in which tenancies:
 - (A) Are limited to five years for tenants in occupancy;

- (B) Are limited to seven years for new tenants; and
- (C) Are not limited for persons 55 years and older, persons with a mental or physical disability, persons retired for medical reasons, and family members and medically necessary attendants of exempt tenants;
- (2) Requiring HPHA to develop recommendations for a transition plan to assist tenants in meeting the occupancy time limits;
- (3) Requiring the Executive Director of HPHA to establish a working group to designate the site of the pilot project and assist HPHA in developing recommendations for a transition plan;
- (4) Requiring HPHA to report to the Legislature on the status of the pilot project prior to the regular sessions of 2010 and 2011;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1692, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1692, H.D. 2, S.D. 2, C.D. 1.

Representatives Cabanilla, Sagum, Chong and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 125 on H.B. No. 1809

The purpose of this measure is to establish a television recycling program in the State.

Specifically, this measure:

- (1) Amends the title of chapter 339D, Hawaii Revised Statutes, from the "Electronic Waste Recycling Act" to the "Electronic Waste and Television Recycling and Recovery Act", establishes a new part entitled "Television Recovery System", and makes conforming amendments to existing provisions in chapter 339D;
- (2) Requires television manufacturers to submit a recycling plan to the Department of Health by June 1, 2010, and to begin recycling covered televisions sold in the State by January 1, 2011;
- (3) Requires television manufacturers to label covered televisions sold or offered for sale in the State with a brand, register with the Department of Health, pay registration fees, and file ongoing registration renewals;
- (4) Prohibits retailers from selling or offering for sale in the State covered televisions that are a brand of a manufacturer that is not registered with the Department of Health;
- (5) Provides a formula for the Department of Health to calculate each television manufacturer's recycling obligation;
- (6) Imposes penalties on manufacturers and retailers for noncompliance with recycling and reporting requirements of the chapter; and
- (7) Stipulates that implementation of this measure by January 1, 2011, shall satisfy the requirement for a separate plan for the collection, transportation, and recycling of televisions called for in Act 13, Special Session Laws of Hawaii 2008.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "electronic device manufacturer" to delete the annual sales provision for "specialized computers";
- (2) Prohibiting television manufacturers and electronic device manufacturers from charging owners a fee to recycle televisions and electronic devices under certain circumstances;
- (3) Requiring electronic device manufacturers and their agents to be responsible for following applicable regulations and for adopting environmentally sound recycling programs;
- (4) Clarifying requirements for television manufacturers submitting plans to the Department of Health;
- (5) Allowing electronic device manufacturers to develop their own recycling program, provided it is implemented and fully operational by January 1, 2010;
- (6) Deleting redundant provisions with respect to television manufacturers developing recycling programs and their recycling obligations;
- (7) Specifying penalty amounts for the sale of unlabeled electronic devices and covered televisions or violations of section 339D-4 or 339D-C;
- (8) Correcting references to sections with respect to fees assured by the Department of Health;
- (9) Changing the effective date of the measure to upon approval; and
- (10) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

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

Representatives Morita, McKelvey, Karamatsu, Coffman, Belatti, Yamashita and Ward.
Managers on the part of the House.

Senators Gabbard, Baker, Taniguchi, Fukunaga, Hooser and Hemmings.
Managers on the part of the Senate.
(Senators Taniguchi and Hemmings were excused.)

Conf. Com. Rep. 126 on H.B. No. 1807

The purpose of this bill is to ensure Hawaii's water quality by:

- (1) Authorizing the Director of Health to use federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA) and other applicable federal acts to fund drinking water and wastewater infrastructure programs; and
- (2) Establishing up to two exempt positions entitled, "total maximum daily load coordinators," to assist the Department of Health to meet federal requirements for establishing total maximum daily loads in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation out of federal funds received by the State from ARRA and any other applicable federal acts to fund drinking water and wastewater infrastructure projects;
- (2) Changing its effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1807, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1807, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Ito, Coffman and Ward.
Managers on the part of the House.
(Representative Ito was excused.)

Senators Gabbard, English, Tsutsui, Green and Hemmings.
Managers on the part of the Senate.
(Senators Tsutsui and Hemmings were excused.)

Conf. Com. Rep. 127 on H.B. No. 371

The purpose of this bill is to:

- (1) Increase the tax on naphtha sold for use in a power-generating facility from 1 cent per gallon to 2 cents per gallon; and
- (2) Repeal the sunset date of the tax.

Your Committee on Conference has amended this measure by:

- (1) In lieu of making the tax permanent, extending it for an additional three years to December 31, 2012;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 371, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 371, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Herkes, M. Oshiro, Coffman, Nakashima and Thielen.
Managers on the part of the House.

Senators Gabbard, Kim and Hooser.
Managers on the part of the Senate.

Conf. Com. Rep. 128 on H.B. No. 986

The purpose of this bill is to require renovations of public school facilities to meet energy efficiency and environmental standards.

Specifically, this bill:

- (1) Adds energy efficiency and environmental standards to achieve high performance classrooms as a criterion that may be used to establish current repair and maintenance requirements for state school facilities;

- (2) Requires the Superintendent of Education to ensure that all repair and maintenance projects follow the required energy efficiency and environmental standards;
- (3) Requires the renovation of state buildings and facilities to meet the Leadership in Energy and Environmental Design silver or two green globes rating system or another nationally recognized and consensus-based guideline, standard, or system;
- (4) Adds energy efficiency and environmental standards as a basis of the Department of Education's six-year program and financial plan for school repair and maintenance; and
- (5) Requires that consideration be given to energy efficiency and environmental standards when prioritizing a school's repair and maintenance needs.

Your Committee on Conference has amended this bill by:

- (1) Amending the preamble to reflect this measure's additional purposes of improving education through technology and facility design and creating "green" jobs in the technology, construction, and general labor sectors;
- (2) Replacing the provision requiring the renovation of state buildings and facilities to meet certain energy and environmental standards, with a provision that requires:
 - (A) The design and construction of public school facilities, including certain renovation projects, to meet the Collaborative for High Performance Schools rating system, except when the guidelines conflict with the facility's use as an emergency shelter; and
 - (B) Prioritization of these public school facility projects based on certain criteria, including energy efficiency, prioritization of local and regional jobs, educational opportunities, and anticipated building life-cycle costs;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 986, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 986, H.D. 1, S.D. 1, C.D. 1.

Representatives Morita, Berg, Coffman and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 129 on H.B. No. 1378

The purpose of this bill is to increase access to health care by:

- (1) Recognizing advanced practice registered nurses (APRN) as participating primary health care providers for insurance purposes;
- (2) Authorizing APRNs to sign documents relating to health care for their patients;
- (3) Clarifying educational and other requirements for APRNs; and
- (4) Clarifying APRNs' authority with regard to prescriptions for drugs, medical equipment, and therapeutic regimens.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Insurance Commissioner to perform a review in two years and report any findings to the Legislature prior to the 2012 Regular Session on the effects of expanding the scope of APRNs' professional responsibilities; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1378, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1378, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, M. Lee, Nishimoto, Wakai and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 130 on H.B. No. 1504

The purpose of this bill is to establish the Hawaii Health Authority to develop a comprehensive plan to provide universal health care in Hawaii.

Your Committee has amended this bill by:

- (1) Appropriating from the state health planning and development special fund \$50,000 for fiscal year 2009-2010;

- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1504, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1504, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, Nishimoto, Bertram, Shimabukuro and Ward.
Managers on the part of the House.
(Representative Bertram was excused.)

Senators Ige, Baker and Tsutsui.
Managers on the part of the Senate.

Conf. Com. Rep. 131 on S.B. No. 1058

The purpose of this measure is to determine the effectiveness of current laws and procedures with respect to medical cannabis and *Salvia divinorum*.

Your Committee on Conference finds that the use of medically authorized or recommended cannabis does have a beneficial impact on certain patients. Your Committee on Conference also finds that *Salvia divinorum* is not regulated in Hawaii and that a task force should be established to investigate the potential benefits of regulating *Salvia divinorum*.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the patient advocate member of the medical cannabis task force be a medical cannabis advocate who is a patient that uses cannabis in a medically authorized manner and further specifying the member's appointment by the Governor;
- (2) Requiring the authorizing or recommending physician member on the task force to be nominated from a list jointly submitted by the Senate President and Speaker of the House of Representatives to be appointed by the Governor;
- (3) Requiring the Hawaii-licensed physician member on the task force to be nominated from a list jointly submitted by the Senate President and Speaker of the House of Representatives to be appointed by the Governor;
- (4) Deleting the President of the Hawaii State Bar Association from membership on the task force;
- (5) Adding the Chair of the Board of Agriculture, a representative of the American Civil Liberties Union, and one registered caregiver to the task force membership and specifying that the registered caregiver shall be appointed by the Governor;
- (6) Requiring the Legislative Reference Bureau to submit a report to the task force no later than August 30, 2009 on the policies and procedures for access, distribution, security, and other relevant issues related to the medical use of cannabis for all states that currently have a medical cannabis program;
- (7) Changing the effective date to upon approval; and
- (8) Making the technical, nonsubstantive changes necessary to incorporate the foregoing amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1058, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1058, S.D. 2, H.D. 2, C.D. 1.

Representatives Karamatsu, Hanohano, Yamane, Aquino and Marumoto.
Managers on the part of the House.
(Representative Yamane was excused.)

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

Conf. Com. Rep. 132 on S.B. No. 199

As originally received, this measure limits claims for business tax credits for taxable years beginning January 1, 2009, and ending before January 1, 2011, to seventy-five per cent of the taxpayer's liability for the taxable year in which the credit is claimed. The measure also exempts certain tax credits from this limitation.

The measure in its amended form limits claims for the high technology business investment tax credit and the technology infrastructure renovation tax credit for taxable years beginning January 1, 2009, and ending before January 1, 2011, to ninety per cent of the taxpayer's liability for the taxable year in which the credit is claimed.

In addition, this measure:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any high technology business investment tax credit and technology infrastructure renovation tax credit generated between January 1, 2009, and December 31, 2010;
- (2) Provides for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Temporarily removes the partner distributive share tax incentive for the high technology business investment tax credit; and

- (4) Temporarily suspends the capital goods excise tax credit for one year to coincide with the federal capital goods excise tax credit under section 179 of the Internal Revenue Code.

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

- (1) Changing the amount of the tax credit claim limitation from ninety per cent to eighty per cent of a taxpayer's tax liability;
- (2) Removing the provisions for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Clarifying that the investment credit allocation ratio shall be 1 to 1 for any investment made on or after May 1, 2009;
- (4) Specifying that applicable sections of the measure apply to investments made, renovation costs incurred, or eligible tangible property placed in service on or after May 1, 2009;
- (5) Prohibiting tax credit carryover for any tax credits claimed for taxable years beginning on or after January 1, 2009 to December 31, 2010;
- (6) Removing the measure's sunset date; and
- (7) Making technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 199, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 199, S.D. 1, H.D. 1, C.D. 2.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

Senators Kim, Fukunaga, Kokubun, Tsutsui and Hemmings.
Managers on the part of the Senate.
(Senator Fukunaga voted no.)

Conf. Com. Rep. 133 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.

Your Committee finds that statutory loopholes currently allow some third party payers to avoid paying primary to Medicaid. This measure is designed to enhance the Department of Human Services' ability to identify third party payers that are legally responsible to pay for health care services received by Medicaid recipients and obtain payments from such third party payers when appropriate.

Your Committee, upon further consideration, has amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 917, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 917, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamane, Mizuno, Herkes, Nishimoto, Brower and Ward.
Managers on the part of the House.
(Representatives Herkes and Ward were excused.)

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

Conf. Com. Rep. 134 on S.B. No. 423

The purpose of this measure is to appropriate state funds to match the federal disproportionate share hospital allowance secured by Hawaii's Congressional delegation.

Your Committee finds that a federal Medicaid disproportionate share hospital appropriation has been secured for Hawaii in the amount of \$2,500,000 for each quarter for the next two fiscal years. These funds cannot be expended without a matching state appropriation. Your Committee believes that by appropriating \$12,291,054 as the State's matching share, the State will enable health care providers to continue offering quality services to Hawaii's disadvantaged populations.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating \$12,291,054 for fiscal year 2009-2010 to match the federal disproportionate share hospital allowance allocated to the State, and clarifying that the funds may be used to obtain prior fiscal year federal matching funds; and
- (2) Changing the effective date from July 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 423, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 423, S.D. 1, H.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Nishimoto, Belatti and Finnegan.

Managers on the part of the House.
(Representative Belatti was excused.)

Senators Chun Oakland, Ige, Tsutsui, Green and Hemmings.
Managers on the part of the Senate.
(Senators Tsutsui and Hemmings were excused.)

Conf. Com. Rep. 135 on S.B. No. 1677

The purpose of this measure is to establish legislative oversight of sales or exchanges of land, other than remnant parcels, held by the State.

Specifically, this measure:

- (1) Requires 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) Makes proposed sales or exchanges of state-held lands subject to legislative disapproval by the adoption of a concurrent resolution passed by a simple majority vote of both Houses of the Legislature.

Your Committee finds that a comprehensive process for the sale of state-owned land and a larger oversight role for the Legislature needs to be established to assure that key information about certain sales or exchanges of land is shared with the Legislature.

Realizing that each sale, however reasonable or necessary, is final and permanent, and recognizing that the Legislature may exercise its power over the State's land by general laws only, this measure establishes a legislative prior-approval process that must be completed before most state-owned land may be sold, and maintains the current legislative disapproval process that must be completed for the exchange of certain state-owned land for private land to be final, except as amended with regard to notification.

Your Committee has amended this measure by:

- (1) Removing sections 1 through 3 of the measure;
- (2) Adding a new part to chapter 171, Hawaii Revised Statutes, titled "Sale or Gift of Lands", which:
 - (A) Requires prior legislative approval of any sale or gift of most state-owned land by concurrent resolution by each House by at least a two-thirds majority vote of the members;
 - (B) Exempts remnants, as defined in section 171-52, Hawaii Revised Statutes, and the issuance of licenses, permits, easements, and leases from legislative approval;
 - (C) Requires the concurrent resolution submitted to the Legislature by the state department or agency proposing the sale or gift to include specified information, and a copy to be submitted to the Office of Hawaiian Affairs;
 - (D) Requires that, prior to finalizing the proposal or submission to the Legislature, the proponents of the sale or gift hold an informational briefing on the proposed sale or gift in the community where the land to be sold or given is located; and
 - (E) Exempts sales or gifts of lands between state departments or agencies, and sales of available lands under the Hawaiian Homes Commission Act;
- (3) Amending section 171-50, Hawaii Revised Statutes, which requires that any exchange of public land for private land be subject to legislative disapproval, by inserting requirements that the submitted concurrent resolution for legislative disapproval include the purpose for the exchange and that a copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1677, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1677, S.D. 1, H.D. 2, C.D. 1.

Representatives Carroll, Ito, Karamatsu, M. Oshiro, Har, B. Oshiro and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 136 on S.B. No. 387

The purpose of this measure is to require the Governor or the Director of Finance to report any budget restriction of any appropriation made by the Legislature not later than thirty days after the end of each quarterly allotment period.

Your Committee upon further consideration has amended the measure by changing the effective date to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 387, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 387, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Choy, M. Lee and Ward.
Managers on the part of the House.

(Representative Ward was excused.)

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

Conf. Com. Rep. 137 on S.B. No. 427

The purpose of this measure 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.

Your Committee on Conference finds that this measure will help to ensure that Hawaii Medical Service Association will be able to continue to provide medical insurance coverage to the approximately 150,000 current and former military personnel and their family members who reside in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2009;
- (2) Inserting language that repeals the measure as of December 31, 2013; provided that section 237-24, Hawaii Revised Statutes, shall be reenacted in the form in which it read on June 30, 2009; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 427, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 427, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 138 on S.B. No. 1263

The purpose of this measure is to protect public health and safety by updating the current statutes regarding permanent and temporary licensure for tattoo artists and permits for tattoo shops.

Specifically, this measure:

- (1) Requires a permit to be issued by the Department of Health for the operation of a tattoo shops and temporary locations where tattooing is performed;
- (2) Authorizes the Department of Health to issue temporary permits to tattoo artists not licensed in the State for educational, trade show, or product demonstration purposes;
- (3) Clarifies licensure and application requirements;
- (4) Amends enforcement and penalty provisions; and
- (5) Repeals provisions relating to facial tattoos.

Your Committee on Conference finds that tattooing has become increasingly popular in the past several years, particularly with the younger population. The statutes regulating tattoo artists and tattoo shops operating in the State have not been updated since 1981.

Your Committee on Conference has amended this measure by:

- (1) Inserting language clarifying that in addition to educational, trade show, or product demonstration purposes, the issuance of temporary licenses to tattoo artists who are not licensed in the State may be for the purpose of practicing the occupation of tattoo artist at a permitted tattoo location; and
- (2) Changing the effective date to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1263, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1263, S.D. 2, H.D. 3, C.D. 1.

Representatives Yamane, Wakai, Ito, Nishimoto and Marumoto.
Managers on the part of the House.
(Representative Wakai was excused.)

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

Conf. Com. Rep. 139 on S.B. No. 166

The purpose of this measure is to ensure that oral chemotherapy treatments are covered by health insurance by requiring health insurance providers to provide parity of coverage for oral and intravenous chemotherapy.

Your Committee on Conference finds that the most effective methods for cancer treatment should be available to all people. This measure will ensure that individuals with limited economic means will be able to receive the most effective methods for cancer treatment that are available.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that reimbursement is for all chemotherapy that is considered medically necessary as defined in section 432E-1.4, Hawaii Revised Statutes;
- (2) Clarifying that reimbursement shall be at the same copayment percentage or relative coinsurance amount as is applied to intravenously administered chemotherapy;
- (3) Exempting from the requirements of the measure accident only, specified disease, hospital indemnity, long-term care, or other limited benefit health insurance policies;
- (4) Inserting conforming amendments to include not only individual and group accident and health or sickness policies in the reimbursement requirement, but also individual and group hospital and medical service plan contracts, mutual benefit societies, and health maintenance organizations;
- (5) Changing the effective date to January 1, 2010; and
- (6) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 166, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 166, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Nishimoto, Herkes, M. Lee and Finnegan.
Managers on the part of the House.

Senators Ige, Baker, Green and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 140 on S.B. No. 1202

The purpose of this measure is to lay the foundation necessary to develop an electric vehicle infrastructure in Hawaii.

Specifically, this measure:

- (1) Makes fostering the research and development of nonfossil fuel and energy efficient modes of transportation one of the State's economic growth objectives;
- (2) Requires the designation of parking spaces for electric vehicles in public, private, and government parking lots;
- (3) Establishes penalties for parking a non-electric vehicle in parking spaces reserved for electric vehicles;
- (4) Requires State and county agencies that purchase new vehicles to seek vehicles with reduced dependence on petroleum-based fuels, in accordance with a priority list;
- (5) Establishes a transportation energy transformation grant fund to provide grants for the acquisition of electric vehicles, the installation of electric vehicle charging infrastructure, and innovative programs that diversify transportation energy sources in the State;
- (6) Establishes two full-time temporary positions in the Department of Business Economic Development, and Tourism to carry out the purposes of the transportation energy transformation grant fund;
- (7) Appropriates an unspecified sum for purposes of the transportation energy transformation grant fund; and
- (8) Directs the development of a battery and charging outlet plan to expedite permitting and installation of battery exchange stations and electric vehicle charging outlets throughout the State.

Your Committee on Conference has amended this measure by:

- (1) Designating that by December 31, 2011, one per cent of the parking spaces in all public, private, and government parking facilities available to the public shall be for electric vehicle use; provided that this percentage shall increase to two per cent when at least 5,000 electric vehicles are registered in the State, and thereafter by one per cent for each additional 5,000 electric vehicles registered in the State, up to a maximum of ten per cent;
- (2) Clarifying with respect to the penalties established for parking a non-electric vehicle in an electric vehicle only parking space that beginning January 1, 2012, a warning shall be issued to violators, and beginning July 1, 2013, violators will be guilty of a traffic infraction;
- (3) Deleting provisions relating to the battery charging and outlet plan;
- (4) Appropriating for each year of the 2009-2011 fiscal biennium from available and appropriated federal funds, \$20,000,000 for the purposes of the transportation energy transformation grant fund; and
- (5) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1202, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1202, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Souki, McKelvey, M. Oshiro, Awana, Coffman and Thielen.
Managers on the part of the House.
(Representative M. Oshiro was excused.)

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

Conf. Com. Rep. 141 on S.B. No. 912

The purpose of this measure is to amend chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, to ensure compliance with federal Title IV-E permanency hearing requirements.

Chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, does not specifically address the federal requirement for permanency hearings at twelve month intervals to determine the permanency plan for a child in accordance with federal law. The Department of Human Services has been informed by the federal government that Hawaii's State Plan will not be approved and the State will be restricted from obtaining federal Title IV-E funds if the requisite statutory changes are not implemented. The Department of Human Services receives over fifty million dollars in Title IV-E federal funds for foster board, treatment, services, staffing, and administrative costs.

To ensure compliance with the federal requirements to receive Title IV-E funding, the Honorable Judge Francis Wong, Deputy Chief Judge and Senior Family Court Judge, convened a working group consisting of representatives of the Department of Human Services, the Department of the Attorney General, the William S. Richardson School of Law, the Court Improvement Project, guardians ad litem, parents' counsel, and the Family Court. The working group proposed amendments to S.B. No. 912, S.D. 2, H.D. 2 that would minimize the impact of the required hearings on Family Court and the Department of Human Services' operations while still meeting the federal Title IV-E requirements needed to ensure an approved Title IV-E state plan.

Your Committee has amended S.B. No. 912, S.D. 2, H.D. 2 by replacing its contents with the working group's proposed C.D. 1. The amendments are as follows:

- (1) Removing section 1, which created a new section of chapter 587, Hawaii Revised Statutes, for permanency hearings;
- (2) Adding a definition to section 587-2, Hawaii Revised Statutes, for "entry into foster care date";
- (3) Clarifying the amendments of sections 587-71 and 587-72, Hawaii Revised Statutes, and amending section 587-27, Hawaii Revised Statutes, to comply with federal law; and
- (4) Changing the effective date to July 1, 2010, because the Department of Human Services has applied for a one-year waiver.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 912, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 912, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 142 on S.B. No. 292

The purpose of this measure is to reallocate funds from the Hawaii tobacco settlement special fund to the Department of Health, University of Hawaii revenue-undertakings fund, emergency and budget reserve fund, and the Hawaii tobacco prevention and control trust fund for two years.

This measure also allocates additional money from the Hawaii tobacco settlement special fund to the general fund for two years.

Upon further consideration, your Committee has made the following amendments to S.B. No. 292, S.D. 1, H.D. 1:

- (1) Changing the amount appropriated into the emergency and budget reserve fund from twenty-four and one-half per cent to fifteen per cent;
- (2) Changing the proposed amount appropriated into the Hawaii tobacco prevention and control trust fund from two per cent to six and one-half per cent;
- (3) Restoring the amount appropriated into the University of Hawaii revenue-undertakings fund to twenty-eight per cent from the proposed twenty-three and one-half per cent;
- (4) Changing the amount deposited to the credit of the state general fund from twenty-five per cent to twenty-five and one-half per cent; and
- (5) Changing the repeal date to June 30, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 292, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 292, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

Senators Kim, Ige, Kokubun and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings voted no.)

Conf. Com. Rep. 143 on S.B. No. 972

The purpose of this measure is to establish a special enforcement section in the Department of Taxation to carry out civil enforcement efforts to collect tax payments primarily from those taxpayers engaged in high-risk, cash-based transactions.

Your Committee on Conference finds that cash-based businesses account for a substantial sum of money in the marketplace and capturing a small fraction of the tax liability due on these amounts would help to off-set the sharp downturn in state tax revenues during 2009. Your Committee on Conference also finds that this measure will identify cash-based industries and businesses in Hawaii that are susceptible to evading the payment of income, general excise, withholding, and employment taxes.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that personnel assigned to the Special Enforcement Section may not participate in any criminal investigation;
- (2) Clarifying that investigators and other personnel shall not render legal advice;
- (3) Deleting the authority of the Director of Taxation to appoint attorneys to provide legal services without regard to chapters 28, 76, and 103D, Hawaii Revised Statutes;
- (4) Deleting the authorization to pay criminal law enforcement agencies from the proceeds collected under this measure;
- (5) Clarifying that the monetary fine associated with a cease and desist citation is discretionary, rather than mandatory;
- (6) Deleting the cap on monetary fines;
- (7) Clarifying that a finding of jeopardy shall be made in writing and is subject to appeal by the taxpayer;
- (8) Clarifying that the Director of Taxation's decision regarding a cease and desist citation may be appealed to the circuit court;
- (9) Clarifying the definition of a cash-based business to include a business that may establish reasonable criteria for accepting personal checks and removing from the definition businesses that do not issue receipts for business transactions;
- (10) Excepting from the definition of a cash-based business those businesses that offer a price differential involving cash for a bona-fide business reason;
- (11) Clarifying that a cash-based business shall not be deemed to be a cash-based business from the factors identified in this measure while a genuine dispute to that factor is pending in a contested case before any administrative agency or court;
- (12) Clarifying that the Department of Taxation has the burden to establish that currency is possessed for tax avoidance purposes, rather than creating a presumption that a person with over \$5,000 in cash in their possession without a legitimate business purpose is engaging in a tax avoidance scheme;
- (13) Clarifying that it is unlawful for a person to intentionally interfere with the Department of Taxation's efforts to obtain information about a business in relation to the initiatives of this measure;
- (14) Adding a requirement for contractors who are awarded federal construction job contracts to provide the Department of Taxation with estimated gross receipts earned on the construction project within thirty days of being awarded the contract;
- (15) Adding a penalty of \$1,000 per month, or fraction thereof, for each month that a failure to report on the gross receipts from a federal construction job contract; provided that the maximum penalty shall not exceed \$6,000;
- (16) Clarifying that the fines associated with doing business without a license are discretionary and waived with a showing of good cause, rather than being mandatory;
- (17) Adding the requirement for the Department of Taxation to report to the Legislature no later than thirty days prior to the convening of each regular session on the amount of state resources that are committed to implementing this measure;
- (18) Adding that it shall be repealed on June 30, 2014, and section 235-20.5, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of section 8 of Act 206, Session Laws of Hawaii 2007, and that sections 231-1, 237-9, and 237-12(b), Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act; and
- (19) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 972, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 972, S.D. 2, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 144 on S.B. No. 1142

The purpose of this measure is to improve patient access to medical care and ensure the public safety by clarifying the procedure and circumstances under which licensed physician assistants may provide services, including:

- (1) Signing documents, such as medical certifications, forms, orders, applications, and verifications;
- (2) Performing medical procedures or tests;
- (3) Administering immunizations;
- (4) Prescribing medications; and
- (5) Providing care in the event of public emergencies and local disasters.

This measure further improves access to medical care by limiting the liability of licensed physician assistants who render uncompensated emergency medical care to persons who are in immediate danger of loss of life, when that care is rendered in good faith and with the standard of care expected of similar physician assistants under similar circumstances.

Your Committee on Conference finds that this measure is intended to authorize the unsupervised medical care by physician assistants only in the event of a public emergency or a state or local disaster. In addition, this measure is intended to limit physician assistant liability only in specific situations pursuant to Good Samaritan laws.

Your Committee on Conference has amended this measure by changing the effective date to "upon approval" and by making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1142, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1142, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Herkes, Karamatsu, Nishimoto, Shimabukuro and Finnegan.
Managers on the part of the House.
(Representative Karamatsu was excused.)

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

Conf. Com. Rep. 145 on S.B. No. 415

The purpose of this measure is to protect consumers who purchase home care services by requiring home care agencies to be licensed by the Department of Health.

Specifically, this measure:

- (1) Requires home care agencies to be licensed by the Department of Health beginning July 1, 2010, and requires the Department of Health to adopt rules for licensure;
- (2) Defines "home care agency" and "home care services";
- (3) Exempts service provider agencies under contract with the City and County of Honolulu Elderly Affairs Division from the licensing requirement; and
- (4) Authorizes the Department of Health to conduct criminal history record checks.

Your Committee on Conference finds that home care agencies provide valuable home care services, such as personal care, homemaker assistance, and respite care, to an increasing segment of Hawaii's residents. The rising demand for home care services makes it necessary to license agencies that provide these services to ensure that minimum standards of quality, safety, and responsibility are met. Accordingly, your Committee on Conference finds that requiring the licensure of home care agencies in the State will help ensure the health, safety, and welfare of consumers.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Department of Health to report to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2010, any recommended proposals to ensure the prevention of financial exploitation of home care agency clients and to improve the home care licensing program;
- (2) Inserting an effective date of July 1, 2009; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 415, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 415, S.D. 2, H.D. 1, C.D. 1.

Representatives Mizuno, Yamane, Wakai, Brower and Finnegan.
Managers on the part of the House.
(Representative Yamane was excused.)

Senators Ige, Baker, Tsutsui and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 146 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:

- (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;
- (2) Eliminating the per-pupil funding method, thus requiring charter schools to follow the same budgetary request process as other state agencies; and
- (3) Making clarifying amendments.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions related to directives and a memorandum of agreement;
- (2) Restoring and expanding the per-pupil funding method;
- (3) Requiring the charter school review panel to approve the charter schools budget;
- (4) Requiring the charter school review panel to survey all charter school facilities prior to determining recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs;
- (5) Specifying the duties of the Executive Director of the Charter School Administrative Office with regard to the preparation of the budget;
- (6) Deleting proposed language related to a charter school's probationary status;
- (7) Requiring the Charter School Review Panel to establish criteria and an approval process for the development and submission of a capital improvement projects budget for charter school facilities;
- (8) Changing the effective date to July 1, 2009;
- (9) Amending the findings and purpose section to reflect the above changes; and
- (10) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 496, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 496, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 147 on S.B. No. 1248

The purpose of this measure is to improve the State Enterprise Zone 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 Enterprise Zone Program tax incentives for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products.

Your Committee on Conference finds that this measure will enable the agricultural industry to attract investment and help to revitalize distressed communities in agricultural areas of the State. Your Committee on Conference also finds that facilitating agricultural producers and manufacturers in qualifying for the enterprise zone program will enable that industry to grow in a tax efficient manner.

Your Committee on Conference has amended this measure by:

- (1) Adding the research, development, sale, or production of genetically-engineered medical, agricultural, or maritime biotechnology products to the definition of "eligible business activity";
- (2) Amending section 209E-10(a), Hawaii Revised Statutes, by reducing the extension of tax credits and tax exemptions for qualified businesses engaged in the manufacturing of tangible personal property or in the producing or processing of agricultural products to three additional years, rather than seven additional years;
- (3) Amending section 209E-10(c), Hawaii Revised Statutes, by limiting the continuation of the tax credit for qualified businesses engaged in the manufacturing of tangible personal property or in the producing or processing of agricultural products to three additional years, rather than seven additional years;

- (4) Including the general excise tax exemption for qualified businesses engaged in the production of genetically-engineered agricultural products under section 209E-11, Hawaii Revised Statutes, and providing that the exemption shall not exceed a total of ten years, rather a total of fourteen years;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1248, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1248, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Tsuji, Morita, M. Oshiro, Yamashita and Ward.
Managers on the part of the House.
(Representatives M. Oshiro and Ward were excused.)

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

Conf. Com. Rep. 148 on S.B. No. 1674

The purpose of this Act is to:

- (1) Increase the amount of the revenue bond proceeds authorized by Act 161, Session Laws of Hawaii 2007, from \$100,000,000 to \$250,000,000, to address the capital facility needs of the University of Hawaii;
- (2) Extend the lapse date of the appropriation of revenue bond proceeds authorized by Act 161 to June 30, 2013; and
- (3) Appropriate \$150,000,000 out of the revenue bond proceeds, to lapse on June 30, 2015.

Your Committee on Conference finds that, while the increase in revenue bond authority will assist the University in addressing its capital facility needs, the current economic climate dictates a less substantial increase.

Your Committee on Conference has amended this measure accordingly, by reducing the increased amount from \$150,000,000 to \$100,000,000

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1674, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1674, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, M. Oshiro, Nakashima, Yamashita and Ching.
Managers on the part of the House.

Senators Tokuda, Kim and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 149 on S.B. No. 43

The purpose of this measure is to:

- (1) Establish the John A. Burns School of Medicine special fund to support physician workforce assessment and planning;
- (2) Assess a fee upon renewal of physician and osteopathic physician licenses, with proceeds to be deposited to the special fund;
- (3) Require the Director of Commerce and Consumer Affairs to disburse on a quarterly basis from the compliance resolution fund to the credit of the John A. Burns School of Medicine special fund all moneys collected from the fee;
- (4) Require recurring physician workforce assessments reports by the John A. Burns School of Medicine; and
- (5) Appropriate unspecified moneys from the general fund and the compliance resolution fund to the John A. Burns School of Medicine special fund.

Your Committee on Conference finds that assessing Hawaii's physician workforce on a continual basis will support proactive measures to prevent or ameliorate the impact of physician shortages in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Limiting expenditures from the John A. Burns School of Medicine special fund to no more than \$150,000 annually;
- (2) Assessing a \$60 fee upon renewal of physician and osteopathic physician licenses;
- (3) Deleting the general fund appropriation;
- (4) Appropriating \$5,000 from the compliance resolution fund to the John A. Burns School of Medicine special fund, to be reimbursed by June 30, 2010;
- (5) Making the effective date July 1, 2009; and
- (6) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 43, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 43, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Chang, Herkes, Nishimoto, Nakashima and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

Senators Tokuda, Ige, Kim, Baker and Hemmings.
Managers on the part of the Senate.
(Senators Kim and Hemmings were excused.)

Conf. Com. Rep. 150 on S.B. No. 1329

The purpose of this measure is to clarify provisions of the early learning system established by Act 14, Special Session Laws of Hawaii 2008, by:

- (1) Including a requirement that the Early Learning Council develop a plan to ensure that the needs of junior kindergartners are addressed;
- (2) Authorizing all Early Learning Council members to designate representatives for their role on the council; and
- (3) Renaming the Keiki First Steps Trust Fund as the Early Learning Trust Fund.

Your Committee finds that the work of the Early Learning Council, created by Act 14, is essential in that it involves development of a comprehensive early childhood education system for the State to coordinate and improve upon the fragmented services currently being offered. Your Committee further finds that it is important to provide the Council with the flexibility it requires to carry on this important mission. To this end, the measure allows the Governor's appointees to the Council to name designees.

Your Committee further finds that this measure can improve the early learning system by ensuring that the developmental and early learning needs of the State's young children are addressed by strengthening the two-tier junior kindergarten and kindergarten program and establishing stricter criteria for moving students between tiers.

Your Committee has amended this measure by:

- (1) Inserting a provision that requires the Department of Education, beginning with the 2010-2011 school year, to use successful assessment tools and protocols for determining a student's initial placement and for decision making about a student's movement between junior kindergarten, kindergarten, and into grade one;
- (2) Removing the requirement that the Early Learning Council develop a plan to phase out the junior kindergarten program; and
- (3) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1329, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1329, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, M. Oshiro, C. Lee and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 151 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 special purpose revenue bonds in a total amount not to exceed \$40,000,000, to assist One Planet Pacific Energy, LLC, with the planning, designing, constructing, and equipping of, and the acquisition of lands for, a gasification facility.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 427, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 427, H.D. 1, S.D. 1, C.D. 1.

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

Senators Gabbard, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 152 on H.B. No. 1627

The purpose of this bill is to support the development of alternative energy in the state by authorizing the issuance of up to \$40,000,000 in special purpose revenue bonds to assist Carbon Diversion Inc. with the establishment of cogeneration and related energy-production facilities at various locations in the state.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1627, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1627, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Coffman and Ching.
Managers on the part of the House.

Senators Gabbard, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 153 on H.B. No. 1628

The purpose of this bill is to support the development of alternative energy by authorizing the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC, in establishing a cogeneration facility and related energy production facilities.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity and style

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Coffman and Ching.
Managers on the part of the House.

Senators Gabbard, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 154 on H.B. No. 1483

The purpose of this bill is to encourage responsible environmental stewardship by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$45,000,000, to assist Better Place Hawaii, Inc., to plan, design, construct, and develop transportation infrastructure, equipment, and apparatus to support electric vehicles in Hawaii.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1483, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1483, H.D. 1, S.D. 1, C.D. 1.

Representatives Morita, Coffman and Ching.
Managers on the part of the House.

Senators Gabbard, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 155 on H.B. No. 1678

The purpose of this bill is to help Hawaii meet its goals and mandates for energy efficiency and renewable energy use, as well as reduce Hawaii's burden of municipal solid waste disposal, by authorizing the issuance of up to \$80,000,000 in special purpose revenue bonds to assist LifeGrid Solutions, LLC, in the planning, design, and construction of a biofuel refinery and research facility on the island of Oahu.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1678, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1678, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Coffman and Ching.
Managers on the part of the House.

Senators Gabbard, Kim and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 156 on H.B. No. 34

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance;
- (2) Inserting a specific reference to a guaranty amounting to \$2,500,000 authorized under Act 233, Session Laws of Hawaii 2008, relating to Important Agricultural Lands; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 34, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 34, S.D. 1, C.D. 1.

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

Senators Kim, Hooser, Tsutsui and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 157 on H.B. No. 35

The purpose of this bill is to provide an income tax credit to every resident individual taxpayer of the state to satisfy constitutionally-mandated requirements.

Your Committee on Conference has amended this measure by:

- (1) Inserting an amount of \$1 for the tax credit; and
- (2) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 35, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 35, H.D. 1, S.D. 1, C.D. 1.

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

Senators Kim, Galuteria, Hooser and Tsutsui.
Managers on the part of the Senate.

Conf. Com. Rep. 158 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.

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

- (1) Making the provisions of this bill applicable to taxable years beginning after December 31, 2008, instead of December 31, 2009;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1495, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1495, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 159 on H.B. No. 1544

The purpose of this bill is to conform the state income tax exemption to the personal exemption phase-out provision found in Section 151 of the Internal Revenue Code. This bill also adjusts the income level at which the phase-out begins by using the inflation-adjusted amounts as of July 1, 2008, and by further reducing those amounts by 25 percent.

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

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1544, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1544, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 160 on H.B. No. 754

The purpose of this bill is to make various improvements to the Hawaii Tourism Authority (HTA) and tourism laws by:

- (1) Requiring the private contractor that operates the Convention Center and its concessions and concession spaces to be subject to the Hawaii Public Procurement Code and provisions relating to concessions on public property;
- (2) Transferring functions relating to tourism research and statistics from the Department of Business, Economic Development, and Tourism, to HTA;
- (3) Removing the ex-officio members from the HTA Board and placing them in an advisory group to HTA;
- (4) Renaming the "Executive Director" of HTA to the "President and Chief Executive Officer" and clarifying the position's duties;
- (5) Clarifying the laws relating to measures of effectiveness of the tourism marketing plan;
- (6) Expanding the scope of a "tourism emergency" to include a national or global economic crisis and requiring the Governor's approval for HTA to take action in response to a declaration of a tourism emergency;
- (7) Earmarking an unspecified percentage of funds allocated to the Tourism Special Fund (TSF) from the Transient Accommodations Tax (TAT) to be used for tourism product development and cultural programs; and
- (8) Removing the repeal date for provisions that allow HTA to retain private attorneys.

Your Committee on Conference finds that the difficult times currently being experienced by the State's major industry, tourism, presents an opportune time to implement some administrative changes to streamline the operations of HTA.

Changing the title of the Executive Director of HTA to President and Chief Executive Officer, while it may appear cosmetic, clarifies the duties and responsibilities of the position while instilling a more business-like atmosphere in the HTA boardroom. Eliminating the sunset provision on the ability of HTA to hire its own private attorneys should also result in streamlined operations.

With regard to tourism emergencies, recent national and global economic crises have led to the cancellation of conventions, corporate retreats, business travel, and family vacations to Hawaii. These cancellations have been reflected in an overall drop in statewide visitor arrivals that is predicted to decline further. The provisions in this measure will enable HTA to react in a timely manner to address a national or global economic crisis and will strengthen the State's efforts to eliminate or mitigate the effects of such a crisis.

Your Committee on Conference notes that timely and accurate tourism-related research, including compilation and analysis of data, is important for the development and implementation of an effective visitor industry program. Joining tourism research and statistical data with the market intelligence research of various major market areas under one agency will allow the State to efficiently address the volatility of the tourism market.

The provisions in this measure with regard to measures of effectiveness of HTA's marketing plan will help to address concerns raised in the Auditor's report released on January 14, 2009, regarding HTA and its long-term strategy for addressing tourism in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the provisions relating to the Hawaii Public Procurement Code that apply to construction contracts for the maintenance of the Hawaii Convention Center;

- (2) Removing provisions that would have allocated funding for tourism product development and cultural programs;
- (3) Inserting provisions requiring 0.25 percent of remaining revenues from the TAT after distribution to other designated receivers to be deposited into the TSF for fiscal year 2010-2011, provided that S.B. No. 1111, S.D. 1, H.D. 1, C.D. 1, Regular Session of 2009, is enacted;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 754, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 754, H.D. 1, S.D. 1, C.D. 1.

Representatives Manahan, Tokioka, Evans and Ward.
Managers on the part of the House.
(Representative Ward voted no.)

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

Conf. Com. Rep. 161 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:

- (1) Authorizing the OHA Board of Trustees to:
 - (A) Issue revenue bonds without legislative authorization and approval; and
 - (B) Use OHA revenues, including general fund appropriations, to secure, and pay the interest and principal of revenue bonds;
 and
- (2) Updating procedures and requirements for the issuance and sale of revenue bonds and investments in the bonds to reflect current government bond practices.

Your Committee on Conference finds that this measure is both timely and appropriate. Although OHA has never issued revenue bonds, the Hawaii and national economies are now creating a renewed impetus for OHA to seek alternative sources of funding for its projects. This bill will assist OHA in this endeavor.

Your Committee on Conference has amended this bill to address concerns of the State Attorney General under the Hawaii Constitution, by:

- (1) Including provisions that make the issuance of revenue bonds contingent on legislative authorization; and
- (2) Defining "revenues of the office," and making other clarifying amendments to ensure that general fund appropriations are not used to secure or pay the interest and principal on the revenue bonds.

The bill has also been amended to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 899, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 899, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 162 on H.B. No. 1364

The purpose of this bill is to require the Governor or Director of Finance to submit a report to the Legislature for each restriction placed on an appropriation authorized by the Legislature.

This bill, among other things, also:

- (1) Appropriates federal funds to various programs that are expected to receive federal support under the American Recovery and Reinvestment Act (ARRA) of 2009;
- (2) Reduces general fund appropriations for programs receiving offsetting federal funds;
- (3) Appropriates general funds to the adult mental health outpatient program and the Hawaii Health Systems Corporation; and
- (4) Appropriates additional Temporary Assistance for Needy Families funds that the State recently qualified for under the Deficit Reduction Act of 2005.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in her Governor's Message No. 298 to the Legislature, as amended in a subsequent message dated April 17, 2009, requested immediate consideration and passage of this bill by the Legislature citing a budget shortfall in FY 2008-2009 and the need to promote openness and transparency in the use of ARRA funds.

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

- (1) Deleting the reporting requirements on restricted appropriations;
- (2) Changing the means of financing for appropriations relating to the Hawaii Health Systems Corporation (HTH 210) from the general fund to the Emergency and Budget Reserve Fund;
- (3) Changing the means of financing for appropriations relating to the adult mental health outpatient program (HTH 420) from the general fund to the Emergency and Budget Reserve Fund;
- (4) Inserting the sum of \$175,966 in federal funds for fiscal year 2008-2009 for the program to educate the homeless in the Department of Education's instructional support program (EDN 200);
- (5) Accounting for a \$25,000,000 general fund increase for the Medicaid program in fiscal year 2008-2009; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1364, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1364, H.D. 1, S.D. 1, C.D. 1.

Representatives Tokioka, M. Oshiro, Choy, Keith-Agaran, B. Oshiro and Pine.
Managers on the part of the House.
(Representatives Choy and B. Oshiro were excused.)

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

Conf. Com. Rep. 163 on H.B. No. 183

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

- (1) Establishing an advisory committee to:
 - (A) Provide oversight of HTSB;
 - (B) Provide to the Governor lists of qualified candidates from which HTSB members shall be nominated and, by and with the consent of the Senate, appointed by the Governor;
 - (C) Present to the Board of Education (BOE) a list of qualified candidates from which an executive director of HTSB shall be appointed; and
 - (D) Submit an annual report to BOE and the Legislature on HTSB operations;
- (2) Allowing HTSB to:
 - (A) Determine the manner by which teacher licensing fees are collected; and
 - (B) Adopt, amend, repeal, or suspend HTSB policies and standards;
- (3) Making permanent HTSB's authority to temporarily suspend its rules in extenuating circumstances;
- (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; and
- (5) Authorizing and appropriating funds for HTSB to coordinate the creation of a data interface network consisting of public and private teacher education institutions and the Department of Education (DOE) to support the free interchange of information valuable to all of the participating organizations.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions establishing an advisory committee for HTSB;
- (2) Changing HTSB membership as follows:
 - (A) Increasing membership from 13 to 15 members by adding two members of the public, who shall be appointed by the Governor from lists of qualified nominees submitted to the Governor by the Hawaii Business Roundtable, Hawaii P-20 Council, and Hawaii Workforce Development Council;
 - (B) Clarifying that HTSB shall consist of not less than six licensed teachers regularly engaged in teaching at the time of the appointment; and
 - (C) Clarifying that HTSB shall consist of three educational officers employed at the time of the appointment;

- (3) Continuing to require the Governor to appoint HTSB members from a list of qualified nominees submitted to the Governor by the departments, agencies, and organizations representative of the constituencies of HTSB, but also requiring current HTSB members to be involved in the submission of the list;
- (4) Repealing statutory provisions regarding the initial terms of the appointed members to allow for staggered appointments;
- (5) Allowing HTSB to employ an executive director for a term of up to four years, who shall be appointed by BOE, and also allowing HTSB to terminate the executive director's contract for cause;
- (6) Requiring HTSB to submit its annual report to BOE;
- (7) Authorizing HTSB, through June 30, 2010, to grant additional licensing extensions;
- (8) Deleting provisions relating to the authorization for HTSB to coordinate the creation of a data interface network to support the free interchange of information valuable to all of the participating organizations;
- (9) Adding provisions requiring HTSB, DOE, and the Charter School Administrative Office to, beginning on July 1, 2009, implement interim policies and procedures for the mutual sharing of data necessary for licensing and verifying the status of teachers;
- (10) Deleting the appropriation for HTSB to coordinate the creation of the data interface network;
- (11) Requiring the Legislative Reference Bureau to review the findings of the auditor's Report No. 09-05 and make recommendations, including proposed legislation, regarding:
 - (A) Whether there is a need for oversight of HTSB, and how oversight is provided for similar boards; and
 - (B) How to strengthen and clarify interagency roles, responsibilities, and relationships between HTSB, DOE, and the Teacher Education Coordinating Committee;
- (12) Requiring the dean of the University of Hawaii at Manoa College of Education to convene a working group to review and make recommendations to address various licensing and relicensing issues, teacher preparation program alignment with national standards and the role of national accreditation of teacher preparation programs in Hawaii, and the role of higher education institutions in assisting teachers in achieving National Board certification;
- (13) Requiring HTSB to review the findings of the auditor's Report No. 09-05, and make recommendations for policy and procedural changes necessary to refocus and support the purpose of HTSB;
- (14) Changing its effective date to July 1, 2009; provided that on July 1, 2010, the provisions authorizing HTSB to grant additional licensing extensions through June 30, 2010, shall be repealed and section 302A-805, Hawaii Revised Statutes, shall be reenacted in the form in which it read on June 30, 2009; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style, including adding to the purpose section to reflect the contents of the bill.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 183, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 183, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Rhoads, M. Lee, Nakashima and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 164 on H.B. No. 1405

The purpose of this measure is to conform the State's tax laws to the multi-state Streamlined Sales and Use Tax Agreement.

Your Committee has amended this measure by:

- (1) Deleting the contents of the measure and replacing it with the contents of H.B. No. 1405, H.D. 2.;
- (2) Adding a provision to create a nexus standard for taxing out-of-state businesses on their business activities in Hawaii; and
- (3) Adding a severability provision.

Your Committee on Conference notes that Part II of the measure adds a new section to chapter 231, Hawaii Revised Statutes, and further notes that this measure's title relates to general excise taxes. Your Committee on Conference finds that chapter 231, Hawaii Revised Statutes, relates to the administration of taxes, including general excise taxes. Therefore, your Committee on Conference finds that Part II of the bill falls within the measure's title and relates to the entire subject matter of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1405, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1405, H.D. 2, S.D. 2, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 165 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 to support programs that benefit Hawaiians and native Hawaiians for the fiscal biennium July 1, 2009, through June 30, 2011.

Realizing the sacrifices being made by all departments in light of the current economic situation, the Office of Hawaiian Affairs submitted testimony in support of a twenty per cent reduction to its general fund appropriation. Your Committee is in agreement with the Office of Hawaiian Affairs and reduced the general fund appropriation to the Office of Hawaiian Affairs by \$617,415.

The appropriation of general funds to the Office of Hawaiian Affairs is contingent upon the transfer from the Office of Hawaiian Affairs to the State, the State's share of the Hokulia settlement (Kelly v. Oceanside) legal fees plus interest. The Office of Hawaiian Affairs Board of Trustees has agreed to transfer fifty per cent of the legal fees plus interest, which amounts to \$1,241,615.

Your Committee recognizes the importance of the services and advocacy the Office of Hawaiian Affairs provides its beneficiaries and finds that this measure is necessary to continue support of the programs benefitting Hawaiians and native Hawaiians.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 900, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 900, H.D. 2, S.D. 1, C.D. 1.

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

Senators Hee, Kim and Hemmings.
Managers on the part of the Senate.
(Senator Hemmings voted no.)

Conf. Com. Rep. 166 on H.B. No. 300

The purpose of this measure is to appropriate funds for the operating budget of the Judiciary for fiscal years 2009-2010 and 2010-2011 and capital improvement budget for fiscal year 2009-2010.

Your Committee on Conference finds that the Governor's financial plan, as presented to the Legislature in December 2008, characterized the entire judicial branch of government as "discretionary" and proposed reducing its general fund operating budget by a full twenty per cent. The Judiciary did not agree with the Governor's plan and, in fact, presented the Legislature with a request for increases to their general fund budget of \$7,023,237 in fiscal year 2009-2010 and \$10,105,072 in fiscal year 2010-2011.

Your Committee on Conference is concerned by the damage to the court system's operations that would occur under the Governor's proposed budget for the Judiciary, but also recognizes that reductions are unavoidable under present fiscal conditions. Your Committee on Conference restored nearly \$20,000,000 of the Governor's proposed general fund reduction of \$40,000,000. This reduces the Judiciary's general fund appropriation request, as reflected in H.B. No. 300, H.D. 1, by twelve per cent in fiscal year 2009-2010 and fourteen per cent in fiscal year 2011.

The timely opening of the Juvenile Detention Center and Family Court in Kapolei is a priority for the Judiciary. As such, your Committee on Conference provided twenty-two positions and \$2,065,183 for additional costs related to the Kapolei Court Complex.

In an effort to remain cognizant and supportive of the need for capital improvements to all Judiciary facilities, statewide, your Committee on Conference has provided \$9,775,000 in general obligation bond funding for critically needed projects. Such funding has been provided only in the first year of the biennium, with the intention of enabling the Judiciary to immediately address these needs while also creating additional jobs and economic stimulus, which are immediate priorities for the State. Your Committee will continue to closely monitor economic conditions, but also believes it important to remain mindful of not only the Judiciary's future capital needs, but also their ability to undertake such projects, before making funding decisions for fiscal year 2010-2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 300, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 300, H.D. 1, S.D. 2, C.D. 1.

Representatives Karamatsu, M. Oshiro and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 167 on H.B. No. 200

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Executive Branch for fiscal year 2009-2010 and fiscal year 2010-2011.

INTRODUCTION

This measure is by far the largest component of the State's expenditure plan and was crafted to tighten up general fund spending, while continuing to respond to our diverse community's needs and priorities. Contained in this measure is the spending authorization required for the operation of the public school, university, and public health systems; programs that make up the social safety net; programs that help to support various sectors of the economy; and other programs that support the governance of our society as required by our state constitution.

In response to the global economic downturn, many difficult choices had to be made in developing this budget. In some cases, your Committee on Conference was unable to restore the Governor's cuts to core programs and was forced to make additional cuts in less-core areas. Despite the difficulty of making these decisions, your Committee on Conference has approached this task as an opportunity to refocus and streamline state government where possible.

Your Committee on Conference appreciates the efforts of all those who have provided input regarding the budget, including the directors of executive departments who testified at the pre-session briefings, the state employees who fielded hundreds of questions from legislators and staff, and the thousands of engaged citizens who shared with us their thoughts and concerns.

ECONOMIC OUTLOOK

National Economic Outlook

The National Economic Outlook is uncertain. As of April, 2009, the United States unemployment rate had reached 8.5 per cent. Michigan, at 12.6 per cent, had the highest rate of unemployment in the nation.

Signs of the gravity of the current economic contraction had become clear more than a year ago, when investors began to question the value of real estate assets held by Bear Sterns Companies, Inc. The problem began when individuals who couldn't afford home ownership were awarded mortgage loans, known as subprime loans. Lenders who made these subprime loans resold them to other institutional players, such as Fannie Mae, the Federal National Mortgage Association.

The first indication of our current economic contraction was when investors determined that the credit default swaps that Bear Sterns Companies, Inc. was relying on to protect it from exposure to subprime loans were worthless. Investors began to inspect the balance sheets of banks and other financial intermediaries, and question the real value of mortgages on all commercial and residential property, that was stated as assets on the balance sheets of these financial institutions. When investors concluded that the book value of these assets exceeded the market value, the selling, and thus the economic contraction, began. Lehman Brothers Holdings, Inc. collapsed on September 15, 2008; and the American International Group, which sold the credit default swaps that pay off if the mortgages enter default, became the subject of an ongoing federal "bailout."

When the banking system was called into question, the banks, having nothing to lend, cut the supply of credit, jeopardizing all businesses, which generally run on credit for one accounting period.

Despite the pervasiveness of the calamity, welcome signs of a recovery are emerging. Some economists say that a number of indicators appear to have bottomed out in recent months. Consumer confidence is increasing. Home sales are starting to pick up. Stocks are enjoying a limited rally.

While there may be movement toward recovery, many economists believe that the current recession will not end until much later this year, and some believe it will last until 2010. However, many of these forecasts were made before the nearly \$800 billion federal stimulus package, enacted earlier this year, began to have an effect. Based on more recent forecasts, some economists argue that the stimulus plan could create stronger than expected growth, and much sooner than the consensus forecasts.

The Economic Outlook for Hawaii

The State's unemployment rate increased from 6.5 per cent to 7.1 per cent between February and March 2009. According to the state Department of Labor and Industrial Relations, February's unemployment rate was the highest since the 6.6 per cent rate recorded in 1978. The State's unemployment rate is not expected to peak until the fourth quarter of 2009.

Though Hawaii's unemployment rate is lower than the national rate, our islands have not been spared economic problems. In February 2009, the occupancy rate for Hawaii hotels was at its lowest rate since 1991. In March 2009, the number of visitors who arrived by air fell 17.2 per cent, and spending by these visitors fell 24.4 per cent, according to the Department of Business, Economic Development, and Tourism. Our island economy continues to be impacted by the loss of ATA and Aloha Airlines, two cruise ships, the Hawaii Superferry, and the closure of Molokai Ranch. Construction slowed dramatically in 2009, resulting in decreased revenue and additional job losses.

Oil prices, the housing market, and United States credit remain wild-card factors that could have long-lasting impacts on the Hawaii economy. As of April 2009, the economic outlook for Hawaii remains uncertain.

GENERAL FUND REVENUE OUTLOOK

By statute, the Council on Revenues reports its latest tax revenue forecast to the Governor and the Legislature on June 1, September 10, January 10, and March 15 of each year. The revenues come primarily from the general excise tax and the state income tax. Since the March 2008 forecast, the Council on Revenues has reduced each prediction of tax revenues for the coming fiscal years. From March 2008 to October 2008, the Council's general fund tax revenue projection through the upcoming biennium dropped by \$1.341 billion.

The Governor based the administration's original biennium budget request on the October 2008 Council on Revenue projection. In early January 2009, soon after the Governor's budget was finalized and submitted to the Legislature, the Council on Revenue revised its forecast downward; the projection was reduced by \$637 million through the coming biennium. Thus, from the Council's March 2008 projection to the January 2009 projection, general fund revenues have declined by nearly \$2 billion.

The House draft of the budget was balanced based upon the Council on Revenue's January forecast, in part by controlling expenditures through eliminating programs and filled and vacant state government positions, cutting into the base budget, and transferring general fund expenses to non-general funds. Then, on March 12, 2009, the Council's tax revenue outlook was again downgraded by \$262 million over the biennium (down \$92.8 million in the current year, \$115.8 million in FY2010 and \$53.4 million in FY2011), and the Senate took on the task of creating an even slimmer budget to balance with the new revenue projection.

BUDGET OVERVIEW

Never before has the State faced a declining revenue picture approaching the magnitude of that currently confronting the 25th Legislature. In fact, the \$2 billion shortfall through the biennium budget, projected at the start of this legislative session, left many individuals in various states of denial. While considerable budget reductions are a necessary component of a balanced financial plan, they are just one factor in aligning the State's expenditures and revenues.

In an effort to close the budget shortfall, the Governor requested each department to reduce the department's discretionary budget by twenty per cent. The factors that determined the amounts deemed discretionary are not entirely clear, and many departments did not meet the target reduction. Nonetheless, reductions resulting from this exercise and other adjustments made by the Governor resulted in a net decrease of state operating costs of \$209 million for FY2010 and \$186 million for FY2011. Previously authorized collective bargaining amounts and other fixed cost adjustments resulted in the Governor's fiscal biennium 2009-2011 executive budget request of \$5.361 billion for the first fiscal year, and \$5.464 billion the second fiscal year.

Subsequent to the introduction of the House draft of the state budget, the Governor adjusted the biennium budget request. These adjustments included reductions to account for the use of such funds as the Emergency and Budget Reserve Fund and the federal American Recovery and Reinvestment Act of 2009 (ARRA) stimulus funds. This, along with other adjustments, lowered the net executive budget request by \$190 million and \$69 million for FY2010 and FY2011, respectively.

In H.B. No. 200, S.D. 1, the Senate restored some of the cuts made by the Governor and the House through the appropriation of ARRA funds, but made new cuts in other areas. House Bill No. 200, S.D. 1, achieved a net reduction to the Governor's proposed budget as adjusted for Governor's Message items of \$58 million in FY2010 and \$83 million in FY2011. Reductions were generally attained by moving operating expenses from general funds to non-general funds where appropriate; reducing programs of limited value or great expense for the benefits derived; reducing positions that, with some exception, were vacant for one year or longer; and reducing a limited number of exempt positions not necessary to core government functions.

Aware of the harm that further reduction to the budget could cause to the State's ability to deliver vital services to the public and of the potential for long-term disarray within state agencies that could arise, your Committee on Conference set out to find common ground in order to reduce the Governor's proposed budget in areas it believes to be least detrimental to core and direct services. This was done primarily by compromising between the House of Representatives and Senate positions, making use of available ARRA funds, and reducing funds for deputy director positions in the second fiscal year.

DEPARTMENT HIGHLIGHTS

Human Services

Especially in these unfavorable economic times, your Committee on Conference recognizes the importance of supporting the Department of Human Services' efforts to provide services to those most in need. Because of the continuing economic contraction, the Governor's budget reduced Department of Human Services' discretionary expenditures by twenty-nine per cent in FY2010, and FY2011. These reductions would have resulted in the loss of important services to the State's most vulnerable citizens.

Your Committee on Conference appropriated \$714 million in FY2010 and \$780 million in FY2011 in general funds to allow the Department of Human Services to continue protecting and empowering the State's most vulnerable citizens. Highlights of general fund appropriations include \$459 million in FY2010 and \$525 million in FY2011 for the MedQuest Program; \$25.5 million each year for Cash Support for Families-Self-Sufficiency; \$15.6 million each year for Case Management for Self-Sufficiency; \$19 million each year for Cash Support for Child Care, which in large part helps to maintain the State's claim to an annual federal TANF block grant.

With the help of federal ARRA funds, your Committee on Conference was able to appropriate \$2.6 million in FY2010 and \$3.1 million in FY2011 to restore the Adult Dental Program, which was cut by the Governor. In addition, your Committee on Conference partially restored funding for Immigrant Health Services, also cut by the Governor. In total, your Committee on Conference appropriated \$211 million in FY2010 and \$105 million in FY2011 in ARRA funds for Department of Human Services programs. In addition, your Committee on Conference appropriated \$25 million in FY2010 to address an existing ongoing shortfall in the Department.

In order to support the increasing number of Hawaii families who must turn to Temporary Assistance for Needy Families (TANF) as a result of the current economic situation, the federal government authorized additional funds for the TANF program. As a result, your Committee on Conference was able to increase TANF expenditures to help address this growing need. To continue providing services to those in need, and to meet increased demand for essential services due to the economic downturn, your Committee on Conference finds that it will be necessary to draw on TANF reserve funds for \$41.7 million in FY2010, and \$23.8 million in FY2011. Your Committee on Conference notes that the drain on TANF reserve funds would have been much more significant without the increased federal support received by the State.

Additionally, your Committee on Conference was able to appropriate ARRA money and other federal funds for the following TANF-related purposes: \$20 million in FY2010 and \$5 million in FY2011 of TANF contingency funds; \$25 million in FY2010 and \$6.25 million in FY2011 of TANF emergency funds; \$5.4 million each fiscal year, of TANF assistance for non-IV E foster children; and \$3.5 million in FY2010 and \$900,000 in FY2011 for other assistance to non-IV E children.

Hawaii Health Systems Corporation and Kahuku Hospital

Your Committee affirms its support and commitment to providing the resources necessary to help Hawaii Health Systems Corporation (HHSC) maintain its current level of services. HHSC facilities face tremendous challenges with, among other things, federal and private reimbursement rates failing to keep pace with rising medical costs. HHSC is an essential public safety net for many residents and visitors, especially on the neighbor islands. To help maintain the current level of essential health care services by those facilities, your Committee on Conference provided a general fund subsidy of \$14.3 million for FY2010, to be expended to the extent possible for Medicaid eligible services. In addition, your Committee on Conference increased HHSC's special fund ceiling by \$14.7 million for FY2010 and \$14.5 million for FY2011 for additional health care payments anticipated to be received from the Department of Human Services.

Your Committee on Conference is concerned with the management, both fiscally and operationally, of the HHSC regions. Thus, your Committee on Conference created a new program, HHSC Regions (HTH 212), to increase transparency and accountability. In addition, your Committee on Conference has earmarked \$500,000 in general funds for a comprehensive review and evaluation of the HHSC corporation and its regions.

Health

Your Committee on Conference is dedicated to protecting the health and well-being of people in Hawaii and ensuring basic health care to all. This is especially challenging given the growing need for health care in the face of economic hardship. It is vital that health care be available and accessible to everyone. To meet this need, your Committee on Conference increased funding to critical services that were either reduced or eliminated in the Governor's budget.

Community health care centers serve as a safety net for many individuals who otherwise would not receive vital health care. Health care centers are experiencing an increase in the number of individuals seeking services, and this demand is expected to grow. To ensure that all residents are able to receive medical care, your Committee on Conference increased funding to community health care centers throughout the State to a total of \$6,591,526 in each fiscal year.

Your Committee on Conference is also concerned that the downturn in the economy increases untold stress on individuals and families. To address this concern, your Committee on Conference restored funding for the following programs and services that were eliminated by the Governor. Funding for these services will come from special funds.

- Partnership in Community Living to provide last-resort support for families of developmentally disabled individuals who are not eligible for Medicaid: \$700,000.
- Healthy Start to prevent child abuse and promote positive parent-child relationships: \$3 million.
- Respite care to provide temporary relief to families that have ongoing care giving responsibilities for family members with developmental or mental disabilities: \$376,953.

The ARRA provides federal stimulus funds in the amount of \$90 million for FY2010 and \$19.6 million for FY2011. This infusion of funding will have a significant impact on the following programs and services:

- Enhanced federal Medical Assistance Percentage reimbursements will reduce the need for the following general fund expenditures:
 - ❖ Developmental Disabilities: \$16 million in FY2010 and \$8 million in FY2011;
 - ❖ Adult Mental Health: \$4 million in FY2010 and \$1.5 million in FY2011;
 - ❖ Child and Adolescent Mental Health: \$2.6 million in FY2010 and \$1.8 million in FY2011.
- Early Intervention for Children to ensure compliance with federal Individuals with Disabilities Education Act, Part C: \$2.6 million in FY2010 and \$197,343 in FY2011.
- Emergency Medical Services (EMS) to implement a statewide mobile electronic health record exchange system and a broadband telecommunication system to send critical patient information between EMS personnel and emergency department physicians: \$10.9 million in FY2010 and \$7.9 million in FY2011.
- Environmental Management to provide grants for drinking water and wastewater infrastructure improvements, reduce diesel emissions for school buses, oversee underground storage tanks, and contract technical expertise for water quality standards: \$53.9 million in FY2010.

Your Committee on Conference finds that the reorganization plan proposed by the Department of Health and the Governor does not deliver any cost savings or efficiencies for the program or services and, in fact, may have a negative impact on clients and staff, disrupt the delivery of services, and incur additional costs.

Your Committee on Conference diligently strove to work with the Department of Health. However, the Department chose not to assist in identifying less core services and possible areas for reduction. It must also be noted that your Committee on Conference has made its best effort in developing this budget without pertinent information from the Department, particularly the itemized operating biennium budget for fiscal biennium 2009-2011.

Public Education

Your Committee on Conference recognizes the importance of providing a quality education to our children to ensure that they are able to thrive in the global society now and in the future. Preserving school-level funding, particularly funds to be distributed via the weighted student formula, is a top priority of your Committee on Conference. Unfortunately, your Committee on Conference was not able to restore the \$40 million in non-weighted student formula program cuts that were included in the Governor's budget and accepted by the Board of Education.

Hawaii is fortunate to be receiving federal stimulus dollars to support education and other state programs in the upcoming biennium. Your Committee on Conference is pleased to have the ability to appropriate stimulus dollars for the following educational programs: \$19.8 million for Title I and Educational Technology in FY2010; and \$20 million for IDEA Part B & IDEA Part B Preschool funds in FY2010.

Your Committee on Conference respectfully disagrees with the Governor's initial plan regarding the timing of the use of a large portion of federal stimulus funds intended for education stabilization. In the interest of protecting the school system from much of the impact of the budget shortfall, your Committee on Conference has provided \$56.6 million in stimulus dollars for education each year of the biennium. These funds will be distributed between public schools and charter schools, based on the latest enrollment projection available to your Committee on Conference. By contrast, the Governor proposed to immediately use \$90 million of the \$113 million in the federal stimulus funds intended to go to lower education in an effort to balance the state budget in the current fiscal year.

The receipt of federal stimulus funds has provided your Committee on Conference with an opportunity to make adjustments to the charter schools' FY2010 and FY2011 budget allocations to accurately reflect the amounts prescribed by section 302B-12, Hawaii Revised Statutes. Charter schools will be able to make the \$5.3 million corrective reduction of general funds without substantial impact to delivery of services because the charter schools' budget will be largely offset by the addition of funds for collective bargaining and \$2.8 million in federal stabilization funds. The net reduction to the charter school budget will be less than \$1 million, which represents a year-to-year reduction of less than two per cent.

Your Committee on Conference has struggled this session to make informed and equitable decisions regarding charter school funding because of the limited information charter schools made available. Charter schools currently enjoy an extremely flexible operating environment, which was provided to enhance program creativity and resourcefulness with the goal of creating better outcomes for students. However, as a publicly-funded entity, charter schools must provide transparency and ensure that public funds are properly used. Your Committee on Conference requests that charter schools provide a budget that reflects all fiscal resources anticipated to be available to the charter schools for the next year; report on the consistency of procurement practices with the guidelines in Chapter 302B, Hawaii Revised Statutes; and account for all exemptions to normal employee compensation levels. Your Committee on Conference also requests that all charter schools work with the Charter Schools Administrative Office annually to provide the Legislature full and accurate financial information to enhance future decision making processes.

Your Committee on Conference made no further reductions to the budget of the Hawaii State Public Library System. Use of the library system has increased during the current recession and the library system would not be able to withstand additional cuts without decreasing security and closing branches.

Additionally, your Committee on Conference is transferring the fixed costs for debt service, health premiums, and retirement benefits from the Department of Education's budget to the Department of Budget and Finance and is transferring risk management costs to the Department of Accounting and

General Services. The budgeting of these items within the Department of Education has no notable benefit and creates unneeded paperwork and confusion regarding the proportionate level of funding provided the Department.

Higher Education

The University of Hawaii system is the State's only public institution for higher learning and plays a critical role in building a strong foundation for Hawaii's future. While budget reductions for most state agencies are unavoidable, the University is fortunate to have significant non-general fund revenues and access to federal stimulus funds.

Your Committee on Conference accepted the twenty per cent discretionary target reduction scenario approved by the Board of Regents, which amounts to an additional reduction of \$17.1 million in general funds each fiscal year. Your Committee on Conference further reduced \$15.4 million each fiscal year, which will be offset by an anticipated \$25 million increase per year in tuition and fees revenue based on built-in annual tuition increases. The addition of ARRA education stabilization funds will also reduce the impact of these adjustments.

The University system is now experiencing record-high enrollment as people seek additional training to increase their job prospects. The greatest increase in enrollment is at the community college level, where enrollment has increased by 9.4 per cent. As such, your Committee on Conference sought to maintain support for the community colleges by providing enough ARRA education stabilization funds to offset nearly all of the \$8 million in general funds reduced from their budget. In total, the University of Hawaii will receive \$54 million in ARRA education stabilization funds over the course of the biennium.

Public Safety

Your Committee on Conference notes that Hawaii continues to struggle with the persistent growth of the inmate population. The traditional solution to prison overcrowding is to build additional facilities or expand existing ones. Since it is unlikely that any new facilities will be built in the near future, your Committee on Conference recognizes the need for interim measures.

The current administration's primary strategy for reducing overcrowding has been to transfer inmates out of the State. However, with a total of 2,298 inmates housed in out-of-state correctional facilities and the escalating costs associated with those inmates, your Committee on Conference finds it necessary to support programs that help reduce the number of inmates in Hawaii's corrections system. Your Committee on Conference provided \$309,516 for FY2010 and \$540,733 for FY2011 to establish a pilot program on Oahu that electronically monitors committed persons who are permitted to live and work in the community in lieu of continued incarceration.

Prior delays in transferring Hawaii inmates to out-of-state facilities have resulted in the accumulation of \$7.7 million that is in excess of the Department of Public Safety's need for contracted bed space. Your Committee on Conference has identified this amount as a one-time general fund savings in FY2010 that can be reduced with no impact to the Department's operations.

Your Committee on Conference reviewed operations of the Sheriff Division and made two significant adjustments. First, your Committee on Conference reduced five vacant positions and funds for the Airport Unit to bring the position count to the number required under the memorandum of understanding with the Department of Transportation Airports Division. Second, four general funded positions were reduced and resources reallocated to establish three additional warrant teams.

Your Committee on Conference continues to be concerned by excessive overtime expenditures and the reported abuse of sick leave benefits by Department of Public Safety employees. General funded overtime expenditures for FY2008 totaled \$9.8 million for the department, which is 31.7 per cent above the budgeted amount of \$7.5 million. Your Committee on Conference reduced funds for overtime by twenty per cent of FY2008 actual expenditures or \$2 million in general funds. Your Committee on Conference established a protocol fund that will be used to encourage employees to reduce sick leave abuse and, subsequently, the need for overtime.

Land and Natural Resources

Your Committee on Conference believes that protecting Hawaii's natural resources and preserving its unique endemic species should remain priorities, even in difficult financial times. Hawaii's resources are constantly being threatened by alien plant and animal pests and by public overuse. To prevent further degradation of these resources, your Committee on Conference has restored \$500,000 for invasive species support that was reduced in the Governor's budget. To protect the State's aquatic resources, your Committee on Conference has restored \$47,500 for coastal stock enhancement, \$45,620 for marine monitoring, \$379,480 for regional stream studies, and \$90,000 for Anuenue Fisheries Research Center.

The Department of Land and Natural Resources identified public safety and park operations as its top priorities and, accordingly, your Committee on Conference has restored, through the use of special funds, funding for lifeguard services at Kaena Point State Park and Keawaula Beach that were reduced in the Governor's proposed budget.

Agriculture

Your Committee on Conference recognizes the importance of agriculture to Hawaii's economy, both as an exportable commodity and as a means to allow the State to become less dependent on imported food products. As such, your Committee on Conference has taken steps to ensure that the Department of Agriculture continues to conserve, develop, and utilize the agricultural resources of the State. Your Committee on Conference has given high priority to preventing the introduction and establishment of pests in the State.

Act 9, Special Session Laws of Hawaii 2007, established a user fee for the inspection of sea and air containers bound for Hawaii that may be carrying pests. Your Committee on Conference has provided \$6 million in special funds to conduct harbor inspection programs and early detection and rapid response activities for invasive species. These funds will allow the Department to retain almost all plant quarantine inspector positions proposed for reduction by the Governor. In an effort to streamline the Department's operations, your Committee on Conference has eliminated the detector dog program, which has proven to be of limited value.

Business, Economic Development, and Tourism

Your Committee on Conference realizes the importance of Hawaii's existing businesses as drivers of Hawaii's economy. Your Committee on Conference has found that the Department of Business, Economic Development, and Tourism has lost sight of its core functions and is unable to effectively manage and carry out the Department's mission. With that in mind, your Committee on Conference created general fund savings, efficiencies, and transparency by transferring programs within the Department to more appropriate departments that share common missions and objectives. This will allow the Department of Business, Economic Development, and Tourism to focus on its core functions and responsibilities.

Your Committee has made the following transfers of Department of Business, Economic Development, and Tourism programs:

- The Small Business Regulatory Review Board to the Department of Commerce and Consumer Affairs;
- Natural Energy Laboratory of Hawaii Authority to the Department of Accounting and General Services;
- Creative Industries Arts and Culture Branch to the State Foundation on Culture and Arts; and
- Film Industry Branch to the Hawaii Tourism Authority. The Authority's expertise in marketing and existing relationships will allow the Film Industry Branch to flourish and become more of an economic driver and marketing tool for the State.

Your Committee understands that the modernization of our state harbors needs to be a priority. The Aloha Tower Development Corporation remains entangled in litigation and has not completed any projects related to the Harbors Modernization Plan. Your Committee on Conference finds that the Aloha Tower Development Corporation is unable to effectively lead the Harbors Modernization Plan and carry out the functions for which it was created; consequently your Committee restored the responsibility of improving harbors to the Department of Transportation, Harbors Division in fiscal year 2011.

Hawaii currently relies on imported oil for over ninety-three per cent of its energy needs. Over the years, the Legislature has provided substantial resources for the Clean Energy Initiative, under the guidance of the Department of Business, Economic Development, and Tourism, for the purpose of promoting energy independence for the State. With funding from the ARRA, the Department of Business, Economic Development, and Tourism will have the opportunity to help the State to become more energy independent. Your Committee on Conference created a general fund savings while retaining existing staff and creating new positions with the use of \$6.2 million in existing federal funds and \$30 million in new federal stimulus money. This will allow the Department to focus on creating clear objectives using specific performance measures and goals.

Labor and Industrial Relations

Your Committee on Conference has appropriated the following federal stimulus dollars to the United States Department of Labor programs: \$150.5 billion in additional funds for increased unemployment insurance payments to individuals in FY2010; \$5.3 million to provide services, jobs, education, and job training to low-income individuals; \$4 million to provide weatherization assistance for the installation of energy saving devices in low-income households; \$1.4 million to provide reemployment services for the unemployed in FY2010; and \$6.4 million to provide employment and training services to adults, dislocated workers, youth and older individuals in FY2010 while reducing minimal amounts above the twenty per cent reductions taken by the Department for the Governor's budget reductions.

Transportation

Your Committee on Conference has become increasingly concerned with the Department of Transportation's deficit spending of its special funds. Accordingly, your Committee on Conference reduced spending through a \$5 million prorated reduction across all programs within the Harbors Division and a \$10 million prorated reduction across all programs within the Highways Division. These reductions will allow the divisions' expenditures to better align with existing and future revenue projections.

Your Committee on Conference is also concerned with certain aspects of the Airports Division. Thus, your Committee on Conference requests that the State Auditor perform a financial audit of the Department of Transportation regarding its accounting procedures, procurement practices, controls over lease renewals and renegotiations, ability to monitor and collect outstanding receivables, and means of accurately charging fees. Your Committee on Conference is also requesting that a list of all fines from the Transportation Security Administration and other federal agencies be included in the audit.

Budget and Finance

Your Committee on Conference provides for the consolidation in the Department of Budget and Finance of fixed costs for debt service, pension accumulation, social security/Medicare, and health premium costs chargeable to the University of Hawaii and the Department of Education. This consolidation is achieved by cost accounting in new program areas. Every effort has been made to prevent the transfers of fixed costs from the University of Hawaii and the Department of Education from prejudicing the maintenance of effort calculations of appropriation levels made to satisfy the State Fiscal Stabilization Fund provisions of the ARRA legislation.

Your Committee on Conference recognizes the plight of the Bishop Museum in maintaining historic sites and artifacts. To allow the continuation of these efforts, your Committee restored a subsidy of \$418,000 to the Museum.

Your Committee on Conference finds that there are no vacant state facilities to accommodate a Public Utilities Commission move and reorganization at this time. Consequently, your Committee on Conference does not appropriate funds for any move of the Public Utilities Commission at this time.

Accounting and General Services

Your Committee on Conference transferred \$9.2 million earmarked for the State's insurance premiums from the University of Hawaii and the Department of Education to the Department of Accounting and General Services to reduce unnecessary delays. To generate general fund savings, your Committee on Conference changed the means of financing for \$3.5 million of insurance premiums from general funds to state risk management revolving funds.

Your Committee on Conference understands the State's fundamental obligation to conduct state and federal elections and recognizes the need for an effective voting system. For the Office of Elections, your Committee reduced general funds by \$184,020 for vacancy savings and other personal and current expenses and provided an additional \$1.5 million for the voting system contract and purchase of voting equipment for FY2010, a non-election year. Funding for FY2011 remains unchanged from the Governor's proposed budget.

Attorney General

Your Committee on Conference recognizes the importance of the Department of the Attorney General in its role as legal counsel for the State of Hawaii. Your Committee on Conference made an effort to reduce the Department's budget in areas that would have limited impact on services to State agencies and the general public. With this goal in mind, your Committee on Conference restored funds to the Child Support Enforcement Agency.

Your Committee on Conference provided the Department with \$6 million in federal funds over the biennium for the Crime Assistance Grant, Byrne Memorial Justice Assistance Grant, Violence Against Women Grant, and the Internet Crimes Against Children Grant. Your Committee on Conference provided an additional \$4.5 million in federal stimulus funds over the biennium for the Child Support Enforcement Agency.

CAPITAL IMPROVEMENT PROGRAM

Mindful of the current economic conditions, your Committee on Conference has sought to compose a fiscally responsible budget that will also spur economic growth throughout the State. Through the continued investment in necessary infrastructure and other capital needs, we believe this budget will in turn provide badly needed job growth for our unemployed and underemployed residents. This philosophy also underscores the federal government's efforts to stimulate the economy through increased spending in the most expedient manner possible. However, your Committee on Conference believes that since it is unclear whether the bond market can withhold an increased bond issuance plan for state projects, general obligation bond- and general obligation reimbursable bond-funded projects must be carefully selected so as to effectively maximize the use of these funds. As a result, your Committee on Conference has endeavored to decrease the proposed debt service level, while also funding critical capital improvement projects that address health, safety, and code requirements; current repair and maintenance backlogs in various state executive departments; and the need to provide for growth and expansion of services, programs, and facilities.

Additionally, your Committee on Conference has provided increased funding in the first year of the biennium, FY2009-2010, to ensure funds are immediately available to state departments and agencies to be used for shovel-ready projects and to provide increased flexibility in ensuring the completion of ongoing projects. In conjunction with this effort, it is believed that front-loading funding will allow your Committee on Conference to properly monitor and assess future economic conditions and their impact on our State's ability to undertake such projects, before appropriating funds in the following fiscal year.

This year, the Administration requested a total of \$955,155,000 in general obligation and general obligation reimbursable bond-funded projects and \$2,952,862,000 for projects financed with all means of financing. Given such unique economic conditions, your Committee on Conference has attempted to address debt service obligations by reducing the amount of general obligation and general obligation reimbursable bonds appropriated, funding a total of \$864,009,000 over the biennium. In all means of financing, we have approved \$3,539,891,000 over the biennium. While this is an increase from what was requested in the Administration's budget, your Committee on Conference has dedicated much of these funds to crucial projects, where a large portion has been provided to certain departments allowing them the flexibility to seek alternative financing options, which may in turn reduce debt service obligations in the future.

Despite challenging economic times, your Committee on Conference has remained dedicated to our State's education system. We have sought to fund those projects that are necessary for health, safety, and compliance measures, as well as those most needed to address the repair and maintenance backlog. In addition, we have approved funding for large construction projects to ensure the future growth and prosperity of our schools. For the Department of Education, your Committee has appropriated a total of \$304,797,000 for various school projects, \$170,500,000 of which is dedicated to reducing the repair and maintenance backlog as well as Whole School Renovation programs.

Likewise, we have appropriated a total of \$203,772,000 in general obligation bond funded projects for the University of Hawaii System, including \$143,125,000 to address repair and maintenance, as well as health and safety needs. In total, we have funded \$565,956,000 for projects financed with all means of financing, including \$28,132,000 in revenue bonds and \$12,660,000 in general obligation bonds for a long overdue Information Technology Center to serve not only the entire University system, but potentially the State as well.

In addition to education, your Committee on Conference has also attempted to address the recent mortgage crisis and need for affordable housing. We have therefore provided \$30,000,000 for the Rental Housing Trust Fund and \$20,000,000 for the Dwelling Unit Revolving Fund. Your Committee on Conference has also made further efforts to improve the conditions of our affordable and public housing facilities and have approved \$12,413,000 for the Hawaii Public Housing Authority to help address their repair and maintenance backlog as well as Americans with Disabilities Act compliance needs.

During these desperate economic times, funding is needed most in the area of healthcare. Thus, your Committee on Conference has provided \$95,493,000 in all means of financing for health care facilities statewide. Of this total, nearly \$47,422,000 has been provided to the Hawaii Health Systems Corporation to assist in their efforts to improve our community hospitals and provide adequate health care to our entire state population.

CONCLUSION

Your Committee on Conference recognizes that sacrifices must be made by all in order to balance the state budget during this unprecedented economic downturn. Most importantly, your Committee on Conference has collaborated to create a budget that will allow the State to live within its means, while using its resources wisely in order to ensure Hawaii's ability to be a strong contender in the global community with regard to education, health care, renewable energy, business, tourism, natural resources, and overall quality of life.

Your Committee on Conference was able to balance the budget without the use of furloughs, and your Committee on Conference notes that it remains the responsibility of the Governor and the public worker unions to negotiate potential savings through decreasing the salaries or benefits of state employees. With the revenue picture at -6.3 per cent, your Committee on Conference is cautious as we look ahead. However, visitor arrivals to the State have begun to stabilize, and as we brave the rough waters of the current economic downturn, your Committee on Conference is optimistic that, through fiscal prudence and increased efficiency, the State will be able to continue serving its residents and visitors in a responsible manner.

In total, this budget amounts to \$5,144,178,085 in general funds and \$10,803,950,330 in all means of financing for FY2010 and \$5,267,648,691 in general funds and \$10,467,329,973 in all means of financing for FY2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Aquino, Awana, Brower, Choy, Coffman, Har, Keith-Agaran, C. Lee, M. Lee, Nishimoto, Sagum, Tokioka, Wooley, Yamashita and Marumoto.

Managers on the part of the House.

Senators Kim, Chun Oakland, English, Fukunaga, Galuteria, Hee, Hooser, Kidani, Kokubun, Tokuda, Tsutsui and Hemmings.

Managers on the part of the Senate.

(Senator Hemmings voted no.)

Conf. Com. Rep. 168 on S.B. No. 21

The purpose of this measure is to provide, among other things, temporary exemptions from statutes relating to procurement, rulemaking, and employment in order to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the American Recovery and Reinvestment Act of 2009 (ARRA).

The American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, envisioned by President Obama as money going "out the door immediately," will require expedited procedures to allow the State to take full advantage of funding from the federal stimulus plan to expeditiously address

the programs, services, and benefits needed by the people of Hawaii. With regards to construction moneys, a recent article in the *Pacific Business News* of April 24, 2009, entitled "Hawaii stimulus money hits the roads," featured the importance of expediting the processing of "shovel ready" projects in getting jobs out to bid, evaluation, and award.

Your Committee on Conference finds that in these times of economic turmoil, this measure would be instrumental in bringing, as soon as possible, additional financial assistance and other social services to Hawaii residents who have been affected by the current economic circumstances as well as improving and expanding benefits to the neediest individuals and families in Hawaii.

The intent of your Committee on Conference is to ensure a fair, equitable, and transparent process of awarding contracts that facilitates expediency, economy, openness, and compliance with laws and rules. This measure is necessary because of the limited time frame in which the federal government has imposed on states to expend federal moneys in order to stimulate the economy in the shortest possible time.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to include reference to accountability and transparency to prevent fraud, waste, abuse, and to ensure the use of competitive procedures;
- (2) Exempting an offeror who has been awarded a contract from section 103-53(a), Hawaii Revised Statutes, relating to tax clearances as a prerequisite to entering into the contract;
- (3) Amending section 3, relating to the process of procurement by including more specific bidding, qualification, selection, and protest procedures to ensure fairness in the award of ARRA funds;
- (4) Requiring the State Procurement Office to adopt interim rules, effective through December 31, 2010, to implement this Act;
- (5) Deleting reference to the expenditure ceiling placed on the use of temporary assistance to needy families program funds in the Supplemental Appropriations Act of 2009, and substituting an appropriation of \$15,000,000 out of the federal temporary assistance for needy families funds provided to the State under the American Recovery and Reinvestment Act of 2009 for fiscal year 2008-2009 to be used for the temporary assistance for needy families program; provided that these moneys are in addition to temporary assistance for needy family funds in the General Appropriations Act of 2009, and any other appropriations of temporary assistance for needy families funds for fiscal year 2008-2009; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 21, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 21, S.D. 1, H.D. 1, C.D. 1.

Representatives Tokioka, M. Oshiro, Choy, Keith-Agaran, B. Oshiro and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 169 on S.B. No. 1678

The purpose of this measure is to improve 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.

Specifically, this measure 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, with a resident in Hawaii who is paid to refer potential customers to the person;
- (2) Exempting sales so solicited if the cumulative gross receipts for a twelve-month period are less than \$10,000; and
- (3) Allowing 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.

Upon further consideration, your Committee on Conference finds that Act 173, Session Laws of Hawaii 2003, the Hawaii Simplified Sales and Use Tax Administration Act allowed the State to become a participating member of the National Streamlined Sales Tax Project. The Project was intended to prepare member states to participate in the Streamlined Sales and Use Tax Agreement (Agreement). Participation in the Agreement would allow the State to level the playing field with respect to assisting local businesses to better compete with mail order and internet sellers who may not necessarily be paying their fair share of state taxes. Your Committee finds that participation in the Agreement is of particular importance at this time, as it would assist the State in the collection of additional revenue to address a projected budgetary shortfall and reduced projected tax collections.

Your Committee on Conference also finds that as a final step to the State's participation in the Agreement, necessary legislation to conform certain state tax laws to the requirements of the Streamlined Sales and Use Tax Agreement is required.

Accordingly, your Committee on Conference has amended this measure by deleting sections 1 through 4 and inserting provisions that would enable the State to participate in the Streamlined Sales and Use Tax Agreement. As amended, this measure, among other things:

- (1) Moves the one-half of one per cent tax rate for wholesale transactions to a new chapter;
- (2) Adds a new chapter on the taxation of imports of property, services, and contracting;
- (3) Moves the 0.15 per cent tax on insurance producers to a new chapter;
- (4) Eliminates the tax on businesses owned by disabled persons;

- (5) Provides destination-based sourcing and amnesty;
- (6) Requires that all tax revenues generated by this measure are to be deposited into the state treasury rather than being directed towards specific purposes;
- (7) Deletes the Department of Taxation's exemption from chapter 103D, Hawaii Revised Statutes, when securing outside services to support this measure; and
- (8) Makes technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1678, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1678, S.D. 3, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 170 on S.B. No. 585

The purpose of this measure is to expand the ability of individuals in remote areas of the State to gain access to prescription medications through the use of remote dispensing pharmacies.

Your Committee on Conference finds that this measure will allow individuals in remote areas to gain access to their prescription medications in their own communities. Through the use of advanced telecommunications technology, pharmacists are able to dispense medications to patients at a distance, saving patients both time and money for travel expenses. Your Committee finds that this measure will help expand access to quality health care to primarily rural and medically underserved areas, while providing appropriate safeguards for the dispensing of controlled substances.

Your Committee on Conference has amended this measure by:

- (1) Extending the repeal date of Act 212, Session Laws of Hawaii 2008, by one year to January 2, 2014;
- (2) Changing the effective date of the measure to "upon its approval"; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 585, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 585, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 171 on S.B. No. 884

The purpose of this bill as received is to:

- (1) Specify the amounts of moneys determined to be in excess of the requirements of various non-general funds;
- (2) Authorize the Director of Finance to transfer on either June 1, 2009, or June 20, 2009, the excess moneys from the various non-general funds to the general fund for fiscal year 2008-2009;
- (3) Repeal the exemptions for various special funds from their pro rata shares of central service expenses and administrative overhead expenses;
- (4) Require the Director of Finance, from July 1, 2009 to June 30, 2015, and the Chief Justice, from July 1, 2009 to June 30, 2011, to transfer to the general fund the interest earned on short-term investments of moneys in various non-general funds; and
- (5) Redistribute temporarily the conveyance tax revenues.

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

- (1) Clarifying and updating facts in the purpose section of the bill;
- (2) Revising the amounts of moneys determined to be in excess of the requirements of several non-general funds;
- (3) Deleting several non-general funds from having excess moneys transferred to the general fund;
- (4) Adding other non-general funds and specifying the amounts of their excess moneys subject to transfer to the general fund;

- (5) Setting June 1, 2009, as the uniform date for the transfer to the general fund of excess moneys from the non-general funds;
- (6) Restoring the exemptions for several special funds from their pro rata shares of central service expenses and administrative overhead expenses;
- (7) Deleting extraneous sections from part II of the bill that do not directly relate to the exemption of certain special funds from assessments for central service and administrative overhead expenses;
- (8) Authorizing rather than requiring the Director of Finance and the Chief Justice to make the transfers to the general fund of interest earned on short-term investments of moneys in various non-general funds;
- (9) Extending the termination date of the period during which the Chief Justice is authorized to make transfers to the general fund of interest earned on short-term investments of moneys in non-general funds from June 30, 2011 to June 30, 2015;
- (10) Modifying the list of non-general funds, under the jurisdiction of Director of Finance, for which interest earned on short-term investments of moneys is subject to transfer to the general fund, through the deletion of several funds and the addition of others;
- (11) Deleting the sections of the bill that deal with the temporary redistribution of the conveyance tax revenues; and
- (12) Changing the effective date of part I of the bill from June 29, 2009 to June 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 884, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 884, S.D. 2, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, M. Lee and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 172 on S.B. No. 1350

The purpose of this measure is to:

- (1) Increase reserved housing requirements for the development of large lots of three acres or greater in area within the Kakaako mauka area from twenty per cent to twenty-five per cent of the countable floor area provided in the development;
- (2) Allow smaller developments of less than three acres to continue meeting the existing requirement that reserved housing units comprise twenty per cent of the dwelling units developed; and
- (3) Provide safeguards to prevent a rush to development by developers trying to avoid these new requirements.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions related to increases in reserved housing requirements on lots of three acres or greater;
- (2) Establishing reserved housing requirements, based on a sliding scale of square footage for residential and commercial development, with provisions for a transit oriented development density bonus for residential development, and further increases;
- (3) Providing flexibility options for properties of 80,000 square feet or more to allow a developer to offset the reserved housing requirements through offsite development;
- (4) Clarifying that the for-sale reserved housing units shall remain reserved housing units for a period of ten years from the date of the original sale of the reserved housing unit;
- (5) Deleting provisions related to cash payments in lieu of developing reserved housing and the sale of credits to another developer;
- (6) Adding "industrial use" to the definition of "countable floor area", provided that the term "industrial use" shall be defined by rule;
- (7) Adding, in the district development guidance policies, the requirement that residential development shall provide parking stalls consistent with county requirements;
- (8) Replacing, in the sections related to the adoption of rules, all references to three acres with twenty thousand square feet;
- (9) Changing the date that the Hawaii Community Development Authority is required to report to the Legislature from 2017 to 2014;
- (10) Making the Act applicable to the unbuilt portion of a major development that was pending of the effective date of the Act, and clarifying that the developer shall have five years from the effective date of the Act to obtain all necessary permits, complete any required grading and infrastructure improvements for the major development, and commence construction of the unbuilt portion of the major development before the Act shall apply;
- (11) Amending the findings and purpose section to reflect the above changes;
- (12) Making the effective date upon its approval; and
- (13) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1350, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1350, S.D. 2, H.D. 1, C.D. 1.

Representatives Ito, Cabanilla, Chong, Har and Ching.
Managers on the part of the House.

Senators Sakamoto, Hee, Taniguchi, Tsutsui, Kokubun, Takamine and Hemmings.
Managers on the part of the Senate.
(Senator Tsutsui voted no.)
(Senators Hee and Hemmings were excused.)

Conf. Com. Rep. 173 on S.B. No. 1673

The purpose of this measure 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) by:

- (1) Temporarily transferring the management, operation, and maintenance of the community hospital system from HHSC to the Department of Health (DOH) from July 1, 2009 to June 30, 2012 by establishing a community hospital system within the DOH comprising all community hospitals of the state government;
- (2) Transferring to DOH on July 2, 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) Establishing a community hospitals transition committee to conduct a study of a permanent structure for the community hospital system and submit its findings and recommendations to the Legislature;
- (5) Establishing a transition committee to study and recommend a permanent structure for the community hospital system; and
- (6) Establishing a special fund to be known as the community hospital system special fund.

Your Committee finds that the HHSC is the fourth largest public hospital system in the nation and operates public health care facilities that provide essential safety-net hospital and long-term care services throughout the State. Your Committee further finds that the continued financial challenges faced by the HHSC and the State pose a risk to the public health care services provided by the HHSC. In addition, these factors hinder efforts to improve the quality of health care services provided to the public.

Your Committee finds that allowing the regional systems of the HHSC and their facilities to transition into a corporation or corporations and providing State support during the transition will improve the operations and efficiencies of the HHSC and benefit the health care of the people of Hawaii.

Your Committee further finds that it is essential that this transition be an option available to the various regional systems and facilities and that the transition be carefully evaluated by the community representatives that comprise the HHSC board.

Your Committee has amended this measure by substituting an amended version of the Senate Draft No. 2 of this measure, which amended statutes regarding the Hawaii Health Systems Corporation and regional boards by:

- (1) Allowing regional systems more autonomy;
- (2) Authorizing the transition of the regional systems into a corporation or corporations to provide central support services to the regional systems and facilities seeking to remain a part of the state agency;
- (3) Allowing the corporation to conduct criminal history record checks; and
- (4) Requiring commercial health plans to provide a minimum reimbursement level of the cost for all services provided to plan beneficiaries by critical access hospitals and federally qualified health centers.

This current iteration of this measure, as amended:

- (1) Deletes provisions relating to cost-based payments to critical access hospitals and federally qualified health centers;
- (2) Modifies part 5 by utilizing the language provided in H.B. No. 1137 providing for criminal history background checks;
- (3) Adds internal audit language for additional accountability;
- (4) Provides that real property of the HHSC shall not be sold, but may be leased, and that other assets shall be eligible for sale, transfer, or lease for the purposes of providing health care services;
- (5) Limits the current exemption from Chapter 37D (financing agreements), Hawaii Revised Statutes, in order to allow HHSC to execute such agreements if they are \$5,000,000 or less per agreement and less than \$25,000,000 in the aggregate in any fiscal year;
- (6) Reconstitutes the corporate board of the HHSC by:
 - (A) Providing for twelve, rather than fifteen, members;
 - (B) Providing for greater regional representation in the HHSC by including regional CEOs as voting members of the corporation and including two members from the County of Maui, two members from the County of Hawaii, one member from the island of Oahu, and one member from the island of Kauai; and

- (C) Requiring the corporate board, in consultation with the regional boards, to effectuate the board's membership reduction by July 1, 2010, while ensuring appropriate regional representation;
- (7) Changes the effective date to July 1, 2009; and
- (8) Makes technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1673, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1673, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, M. Oshiro, Coffman, Keith-Agaran, Nishimoto, Sagum, Tsuji and Yamashita.
Managers on the part of the House.

Senators Ige, Tsutsui, Takamine, Baker, Green and Kokubun.
Managers on the part of the Senate.

Conf. Com. Rep. 174 on H.B. No. 36

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

- (1) Changing the name of the Environmental Health Education Fund to the Environmental Health Special Fund;
- (2) Allowing the use of fund moneys for sanitation program activities, including permitting, inspections, other monitoring, and enforcement; and
- (3) Deleting requirements that inspectors of food establishments be registered.

Your Committee on Conference has amended this bill by:

- (1) Changing the name of the Environmental Health Education Fund to the Sanitation and Environmental Health Special Fund (Special Fund);
- (2) Maintaining requirements in statute that inspectors of food establishments be registered;
- (3) Deleting requirements that moneys deposited in the Special Fund be used to conduct program activities including permitting, investigations, other monitoring, and enforcement;
- (4) Requiring that moneys in the Special Fund in excess of \$2,445,000 on June 30 of each year shall be deposited into the general fund;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 36, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 36, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Morita, Nishimoto, Coffman and Finnegan.
Managers on the part of the House.

Senators Gabbard, Kim and Green.
Managers on the part of the Senate.

Conf. Com. Rep. 175 on H.B. No. 690

The purpose of this bill is to ensure health insurance coverage by:

- (1) Requiring insurers to offer continuation of health insurance coverage to employees who lose coverage due to termination or reduction of employment hours;
- (2) Requiring insurers that offer health care coverage to the regular employees of any group or association to offer the same coverage to part-time employees working at least 15 hours per week; and
- (3) Providing that the Insurance Commissioner report to the Legislature on the cost-benefit of such an action prior to the convening of the Regular Session of 2011.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions requiring insurers to offer continuation of health insurance coverage to employees who lose coverage due to termination or reduction of employment hours;
- (2) Deleting provisions requiring fraternal benefit societies in this state to offer the same coverage to part-time employees working at least 15 hours per week as the coverage offered to full-time employees;
- (3) Changing the effective date to July 1, 2009;

- (4) Extending the sunset date by three years, from July 1, 2011, to July 1, 2014; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 690, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 690, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, Nishimoto and Finnegan.
Managers on the part of the House.

Senators Ige, Takamine and Baker.
Managers on the part of the Senate.

Conf. Com. Rep. 176 on H.B. No. 1464

The purpose of this bill is to add to or clarify a number of statutory provisions to encourage energy efficiency and the development of renewable energy resources.

This bill, among other things:

- (1) As of July 1, 2009, prohibits an electricity-generating public utility from adding a new, or increasing the capacity of an existing, covered source with a capacity of two megawatts or more using fossil fuel sources;
- (2) As of January 1, 2015, prohibits:
 - (A) The inclusion of electrical energy savings in determining conformance with renewable energy portfolio standards requirements; and
 - (B) Customer-sited grid-connected photovoltaic systems to qualify as electrical energy saving;
- (3) Accelerates and extends the renewable electrical energy portfolio standard by an additional five percentage points by December 31, 2020, to twenty-five per cent from twenty per cent, and increases the standard to forty per cent by December 31, 2030;
- (4) Expands the duties of the Energy Resources Coordinator (Coordinator) to include:
 - (A) Identifying geographic areas containing renewable energy resources and designating these areas as renewable energy zones;
 - (B) Developing incentive programs to encourage the development of renewable energy resource projects within the renewable energy zones; and
 - (C) Assisting public and private entities in identifying and developing through the use of special purpose revenue bonds, utility transmission projects to accommodate the development of renewable energy resources;
- (5) Expands the definition of a "qualified business" in a state enterprise zone to one that is engaged in the development and production of fuels and thermal or electrical energy using a number of renewable energy resources;
- (6) Clarifies that the duties of the Renewable Energy Facilitator in assisting the efficient permitting of renewable energy projects extends to the land on which the project is situated and any structures or equipment, including transmission facilities, required by the project;
- (7) Amends the definition of "renewable energy facility" as it relates to the renewable energy facility siting process law, to authorize the Coordinator to designate, as renewable energy facilities, biofuel production facilities and renewable energy facilities with smaller energy production capacities, for purposes of streamlined permit processing for new facilities;
- (8) Directs the Public Utilities Commission (PUC) to establish energy efficiency portfolio standards to maximize cost-effective energy efficiency programs and technologies to achieve a reduction of four thousand three hundred gigawatt hours of electricity use reductions statewide by 2030;
- (9) Replaces the Coordinator with the Public Benefits Fee Administrator (Administrator) as the authority to issue variances from the requirement that single-family dwelling include solar water heating systems, and requires the Administrator to:
 - (A) Conduct post-installation inspections of installed water heating technology; and
 - (B) Make public all applications and the dispositions of all applications for variances from the solar water heating system requirement;
- (10) Revises the Renewable Energy Technology System Tax Credit and:
 - (A) Disallows the tax credit on the installation of a solar water heating system that is required, pursuant to section 196-6.5, Hawaii Revised Statutes, on new single-family dwellings on or after January 1, 2010; and
 - (B) Limits the tax credit to eligible renewable energy technology systems installed on or after July 1, 2009;
- (11) Extends the deadline for PUC to adopt standards for solar water heating systems from July 1, 2009, to January 1, 2010, and permits the Commission to contract with the public benefits fee administrator for the development of the standards to be adopted by the Commission.

Your Committee on Conference finds that the provisions in this bill will significantly align Hawaii's energy policy laws with its energy goals. To transform the state's energy system, changes must encompass Hawaii's policy and regulatory framework, system-level technology development and integration, financing or capital investment, and institutional system planning.

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

- (1) Adding a purpose section setting forth the detrimental impacts of being reliant on fossil fuel and the benefits that can be derived from accelerating the use and development of energy efficiency and renewable energy technologies;
- (2) Deleting the provisions expanding the definition of state enterprise zone "qualified business" that would have included a business engaged in the development and production of fuels and thermal or electrical energy using renewable energy resources;
- (3) Deleting the prohibition against an electricity-generating public utility from adding a new, or increasing the capacity of an existing, covered source with a capacity of two megawatts or more using fossil fuel sources;
- (4) Clarifying the duties of the Coordinator by, among other things, requiring it to:
 - (A) Make recommendations generally, rather than specifically to the Governor and the Legislature;
 - (B) Additionally, assist public and private agencies in implementing efficiency programs and developing indigenous energy resources; and
 - (C) Develop and maintain a capacity to analyze the status of energy resources, systems, and markets; recommend, develop proposals for, and assess the effectiveness of policies and regulatory decisions; and conduct energy emergence planning;
- (5) With respect to the renewable energy facility siting process:
 - (A) Requiring the permitting agency to provide to the Coordinator its report identifying diligent measures being taken to complete permit processing within 30 days if a completed permit plan application has not been approved or denied within 12 months after approval of the application by the coordinator; and
 - (B) Authorizing the Coordinator to deem a permit approved if no further processing and action are reported by the permitting agency within five months following the end of the 30-day agency report period;
- (6) Appropriating out of the Renewable Energy Facility Siting Special Fund, \$1,000,000 for each year of fiscal biennium 2009-2011 for the purposes of the Fund;
- (7) Requiring PUC to evaluate the energy efficiency portfolio standards every five years and revise the standards based on the best information available and report its findings to the Legislature;
- (8) Beginning in 2015, requiring electric energy saving by the use of renewable displacement or off-set technologies, to count towards the energy efficiency portfolio standards;
- (9) By December 31, 2010, requiring state buildings larger than 5,000 square feet or that use more than 8,000 kilo-watts of electricity annually to be benchmarked as a basis for determining the State's investment in improving the efficiency of its building stock;
- (10) Requiring public buildings to be retro-commissioned not less than every five years based on guidelines established by the Coordinator;
- (11) Authorizing departments to enter into energy savings performance contracts with a third party, in accordance with guidelines issues by the Comptroller, to cover the capital costs of energy-efficiency measures and distributed generation, if the contracts conform to the benchmark standard;
- (12) Requiring investments in efficiency for existing public building that undergo a major retrofit or renovation;
- (13) Requiring a residential property owner to make a good faith declaration of electricity cost based on the most recent three months of electric utility bills prior to the date that the seller's disclosure under chapter 508D, Hawaii Revised Statutes, is required to be made;
- (14) Establishing the Building Energy Efficiency Revolving Loan Fund to provide low or no interest loans or financial assistance to eligible public, private, and nonprofit borrowers for making energy efficiency improvements in buildings;
- (15) Clarifies the solar water heater system requirement in new homes by, among other things:
 - (A) Reinstating the Coordinator, as opposed to the Public Benefits Fee Administrator, as the authority to issue variances from the requirement that single-family dwelling include solar water heating systems and publicize all applications and the disposition of the applications; and
 - (B) Deleting post-installation inspections of installed water heating technology;
- (16) With respect to the Renewable Energy Technology System Tax Credit:
 - (A) Disallowing only a portion, rather than 100 percent, of the on the installation of a solar water heating system that is required by section 196-6.5, Hawaii Revised Statutes, on new single-family dwellings on or after January 1, 2010; and
 - (B) Deleting the provision that limits the tax credit to eligible renewable energy technology systems installed on or after July 1, 2009;
- (17) Providing the statutory authorization to transfer federal and private funds to the Public Benefits Fee Administrator;
- (18) Clarified the objectives and policies for facility system-energy of the Hawaii State Planning Act by including energy diversification, short- and long-term provision of energy, and the promotion of transportation energy efficiency;

- (19) Changing the effective date of this bill to July 1, 2009; and
- (20) Making technical, nonsubstantive amendments for style, consistency, and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1464, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1464, H.D. 3, S.D. 2, C.D. 1.

Representatives Morita, Cabanilla, Herkes, Coffman, Belatti, Yamashita and Thielen.
Managers on the part of the House.

Senators Gabbard, Kim, English, Green, Kokubun and Hemmings.
Managers on the part of the Senate.
(Senator Kokubun was excused.)

Conf. Com. Rep. 177 on H.B. No. 1260

The purpose of this bill is to allow the State to address some of the serious financial challenges ahead by reorganizing certain state executive branch departments to reflect the provisions of the General Appropriations Act of 2009. Specifically, this measure:

- (1) Abolishes the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and transfers the functions of four branches of the division to the Research Corporation of the University of Hawaii, and requires the Corporation to establish a self-sufficiency standard and cooperate with the United States Census Bureau;
- (2) Abolishes the Aloha Tower Development Corporation and transfers jurisdiction over and responsibility for the harbors modernization functions of the Aloha Tower Development Corporation to the harbors division of the Department of Transportation, and clarifies that the Department shall be the successor in interest to all assets and debts, liabilities, or other obligations incurred by the Corporation and that the Department is not exempt from the state procurement code with regard to projects concerning the harbors modernization plan;
- (3) Abolishes the Hawaii Occupational Safety and Health law, with the exception of the hoisting machine operators advisory board and the hoisting machine operators' certification revolving fund, effective on October 1, 2010;
- (4) Transfers the position of tourism liaison from the Department of Business, Economic Development, and Tourism to the Office of the Governor;
- (5) Transfers the Small Business Regulatory Review Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (6) Transfers the Land Use Commission, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
- (7) Transfers the High Technology Development Corporation and High Technology Innovation Corporation, with their statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
- (8) Transfers the Office of Planning, with its statutory duties and powers, including jurisdiction over the coastal zone management program, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
- (9) Transfers the Natural Energy Laboratory of Hawaii Authority, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
- (10) Transfers the Measurement Standards Program, with its statutory authority, from the Department of Agriculture to the Department of Commerce and Consumer Affairs;
- (11) Transfers the Arts and Culture Development Branch within the Department of Business, Economic Development, and Tourism to the State Foundation on Culture and the Arts, which is placed within the Department of Accounting and General Services for administrative purposes;
- (12) Transfers the Film Industry Branch within the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority;
- (13) Makes required conforming amendments to the Hawaii Revised Statutes;
- (14) Provides for the transition of various state agencies and programs that are transferred, including the transfer of rights, powers, functions, duties, officers, employees, records, equipment, and rules;
- (15) Clarifies that members of boards or other policy-making or advisory bodies transferred shall continue to serve the member's term without need for reappointment, except for members of the Board of the Aloha Tower Development Corporation and the High Technology Development Corporation; and
- (16) Requires the Legislative Reference Bureau to review this measure to recommend appropriate placement of parts or chapters of the Hawaii Revised Statutes affected.

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

- (1) Removing language that would have:
 - (A) Abolished the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and transferred the functions of four branches of the division to the Research Corporation of the University of Hawaii, and required the Corporation to establish a self-sufficiency standard and cooperate with the United States Census Bureau;

- (B) Abolished the Hawaii Occupational Safety and Health law, with the exception of the hoisting machine operators advisory board and the hoisting machine operators' certification revolving fund on October 1, 2010;
 - (C) Transferred the Land Use Commission, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
 - (D) Transferred the High Technology Development Corporation and High Technology Innovation Corporation, with their statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
 - (E) Transferred the Office of Planning, with its statutory duties and powers, including jurisdiction over the coastal zone management program, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources; and
 - (F) Transferred the Measurement Standards Program, with its statutory authority, from the Department of Agriculture to the Department of Commerce and Consumer Affairs;
- (2) Stipulating that the abolishment of the Aloha Tower Development Corporation and the transfer of jurisdiction over and responsibility for the harbors modernization functions of the Aloha Tower Development Corporation to the harbors division of the Department of Transportation shall take effect on July 1, 2010;
 - (3) Transferring Natural Energy Laboratory of Hawaii Authority to the Department of Accounting and General Services instead of the University of Hawaii;
 - (4) Changing its effective date to July 1, 2009; and
 - (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1260, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1260, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Rhoads, Yamashita and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

Senators Kim, Taniguchi, Fukunaga, Hee, Kidani and Takamine.
Managers on the part of the Senate.
(Senators Fukunaga and Hee were excused.)

Conf. Com. Rep. 178 on H.B. No. 1404

The purpose of this bill is to make the general excise tax exemption amendments for timeshare operators and condominium submanagers permanent.

Your Committee on Conference has amended this bill by:

- (1) Establishing a cap of \$400,000 on amounts not taxable for:
 - (A) Managers, submanagers, or board of directors of an association of apartment owners or of certain nonprofit homeowners or community associations pursuant to Section 237-24.3, Hawaii Revised Statutes (HRS); and
 - (B) Hotel operators pursuant to Section 237-24.7, HRS.
- (2) Extending the general excise tax exemption amendments for timeshare operators and condominium submanagers by one year to December 31, 2010;
- (3) Making this measure effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1404, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1404, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Choy, Tokioka and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 179 on H.B. No. 989

The purpose of this bill is to ensure health insurance coverage for all of Hawaii's keiki by:

- (1) Amending Act 236, Session Laws of Hawaii 2007, which established the Hawaii Children's Health Care Program (Program), to extend the Program to June 30, 2012; and

- (2) Requiring the Department of Human Services to report various findings and recommendations to the Legislature prior to the 2010 and 2011 Regular Sessions.

Your Committee on Conference has amended this bill by:

- (1) Requiring that primary health care services for participants in the Program be provided by a federally qualified health centers;
- (2) Requiring the managed care plan partner in the Program to establish payment plans with the state's federally qualified health centers to cover the costs of the participants' primary health care services;
- (3) Appropriating \$200,000 for each year of fiscal biennium 2009-2011, as the State's share of funding for the Program;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 989, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 989, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Nishimoto, Shimabukuro and Finnegan.
Managers on the part of the House.
(Representative Shimabukuro was excused.)

Senators Chun Oakland, Ige, Tsutsui, Green and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 180 on H.B. No. 1271

The purpose of this bill is to promote development for local food and energy businesses and ensure Hawaii is energy and food self-sufficient and sustainable to the maximum extent feasible by:

- (1) Creating and appropriating funds for a Hawaii Economic Development Task Force (Task Force) to accelerate and support public and private efforts to make Hawaii energy and food self-sufficient, consistent with the Hawaii 2050 Sustainability Plan, the Hawaii Clean Energy Initiative, and other government and community planning efforts;
- (2) Revising the tax collected on each barrel of petroleum product sold by a distributor under the environmental response, energy, and food security tax, formerly known as the environmental response tax, and allocating portions of the taxes collected to various funds; and
- (3) Repealing the sunset date of the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels.

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

- (1) Inserting purpose language regarding the need to plan for and implement measures to help Hawaii's natural resources and humankind adapt and be resilient to the inevitable challenges brought on by climate change caused by carbon dioxide and other greenhouse gas emissions from burning fossil fuels;
- (2) Amending the provisions of the Energy Security Special Fund as follows:
 - (A) Requiring expenditures from the fund to be subject to legislative appropriation;
 - (B) Allowing, rather than requiring, moneys from the fund to be expended by the Department of Business, Economic Development, and Tourism (DBEDT) and used only for certain purposes;
 - (C) Specifying that one of the purposes for expenditures from the fund shall be to support the Hawaii Clean Energy Initiative Program, including its energy division;
 - (D) Specifying that one of the purposes for expenditures from the fund shall be to fund, to the extent possible, the Greenhouse Gas Emissions Reduction Task Force, Climate Change Task Force, grants-in-aid to the economic development boards of each county, and grants-in-aid to economic development agencies of each county to meet the stated objectives of the Hawaii Clean Energy Initiative Program; and
 - (E) Making DBEDT responsible for the fund by requiring it to submit a report to the Legislature prior to the convening of each regular session;
- (3) Specifying a tax of \$1.05 on each barrel of petroleum product sold by a distributor under the environmental response, energy, and food security tax, and specifying that of this tax:
 - (A) 5 cents shall be deposited into the Environmental Response Revolving Fund;
 - (B) 55 cents shall be deposited into the Energy Security Special Fund;
 - (C) 10 cents shall be deposited into the Energy Systems Development Special Fund; and
 - (D) 35 cents shall be deposited into the Agricultural Development and Food Security Special Fund;
- (4) Amending the provisions of the Task Force as follows:

- (A) Requiring the Task Force to carry out their duties with the assistance of DBEDT;
 - (B) Specifying that the Director of Business, Economic Development, and Tourism or the Director's designee shall chair the Task Force; and
 - (C) Clarifying that a representative from each private county economic development board shall sit on the Task Force;
- (5) Changing the appropriation to support the work of the Task Force to \$250,000 for fiscal year 2009-2010, to be appropriated from the portion of the environmental response, energy, and food security tax that is deposited into the Energy Security Special Fund, notwithstanding section 201-12.8(b), Hawaii Revised Statutes;
 - (6) Establishing the Agricultural Development and Food Security Special Fund, into which shall be deposited among other things a portion of the environmental response, energy, and food security tax, making the Department of Agriculture responsible for the fund by requiring it to submit a report to the Legislature prior to the convening of each regular session, and appropriating \$10,500,000 out of the fund for various agriculture- and food-related projects;
 - (7) Establishing the Hawaii Clean Energy Initiative Program to manage the State's transition to a clean energy economy, and appropriating \$393,518 in each year of the 2009-2011 fiscal biennium to provide for seven positions for and otherwise support the Hawaii clean energy initiative of DBEDT;
 - (8) Deleting the repeal of the sunset date of the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels;
 - (9) Establishing a renewable energy branch within DBEDT to coordinate and promote renewable energy initiatives;
 - (10) Making permanent and appropriating \$119,280 out of the Energy Security Special Fund for the renewable energy facilitator position in DBEDT;
 - (11) Establishing, and appropriating \$130,000 out of the Energy Security Special Fund for, a permanent, full-time energy program administrator position in DBEDT;
 - (12) Establishing, and appropriating funds out of the Energy Security Special Fund for each year of the 2009-2011 fiscal biennium, for seven full-time, temporary positions in DBEDT to support various planning and renewable energy statutory provisions;
 - (13) Authorizing the Governor to, subject to the availability of federal funding for energy programs provided by grants, establish the positions necessary to accomplish the management of energy projects funded by federal grants;
 - (14) Appropriating \$200,000 out of the Energy Security Special Fund for the Greenhouse Gas Emissions Reduction Task Force;
 - (15) Changing the effective date to July 1, 2009; and
 - (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1271, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1271, H.D. 3, S.D. 2, C.D. 1.

Representatives Morita, Tsuji, Choy, Chong, Coffman, Wooley and Thielen.
Managers on the part of the House.

Senators Hee, Kim, Gabbard, Fukunaga and Kokubun.
Managers on the part of the Senate.