

SCRep. 1-10 Finance on H.B. No. 2162

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

The Office of the Auditor testified in support of this bill. The Legislative Reference Bureau, Hawaii State Ethics Commission, Office of the Ombudsman, and the Clerk of the House of Representatives provided comments.

Your Committee has amended this bill by:

- (1) Reducing the appropriation for the Senate from \$8,025,681 to \$7,377,244;
- (2) Reducing the appropriation for the House of Representatives from \$11,403,163 to \$10,481,787;
- (3) Reducing the appropriation for the Office of the Auditor from \$2,619,685 to \$2,408,013;
- (4) Reducing the appropriation for the Hawaii State Ethics Commission from \$885,292 to \$813,770;
- (5) Reducing the appropriation for the Legislative Reference Bureau from \$3,113,126 to \$2,861,633; and
- (6) Reducing the appropriation for the Office of the Ombudsman from \$1,060,728 to \$998,342.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2162, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives C. Lee and Finnegan.

SCRep. 2-10 Health on H.B. No. 823

The purpose of this bill is to improve the health and quality of care for people by ensuring health insurance coverage for colorectal cancer screening by any of the methods specified by the 2008 Colorectal Cancer Screening Guideline prepared by the American Cancer Society, the U.S. Multi-Society Task Force on Colorectal Cancer, and the American College of Radiology.

The American Cancer Society Hawaii Pacific, Inc., and Hawaii Pacific Health supported this bill. The Hawaii Association of Health Plans opposed this measure. The Department of Commerce and Consumer Affairs, the Auditor, and Hawaii Medical Service Association submitted comments.

Your Committee has amended this bill by:

- (1) Changing the date by which health insurance providers in Hawaii must inform their insured of the risk associated with undiagnosed colorectal cancer and encourage the insured to consult with the insured's physician about available screening options from March 1, 2010, to March 1, 2011;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion;
- (3) Establishing that this bill, should it become enacted, will apply to policies, contracts, and plans of health insurance issued or renewed after January 1, 2011; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 823, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 3-10 Health on S.B. No. 1265

The purpose of this bill 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 (DOA) to post notice of this labeling requirement on its website.

The Hawaii Teamsters and Allied Workers, Local 996 testified in support of this bill. The Department of Agriculture (DOA) supported the intent of this measure. The Department of Health and Hawaii Food Industry Association testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Making language requiring the accurate labeling of fish products that have been gas-treated to approximate the appearance of freshness a new section under Hawaii's Food, Drug, and Cosmetic Act rather than encompassing this language under the misleading or misbranding section of the Act;
- (2) Changing the date on which the DOA is required to post notice of the labeling requirements on its website from August 1, 2009, to August 1, 2010;
- (3) Changing the applicability of this measure to meat or fish products sold on or after August 1, 2010, rather than August 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1265, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1265, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 4-10 Higher Education on H.B. No. 2052

The purpose of this bill is to enable the University of Hawaii (UH) to retain the flexibility to use different sources of UH funding to finance the establishment of new commercial enterprises by repealing the sunset date for the provision that allows UH to transfer certain funds into the UH Commercial Enterprises Revolving Fund.

The UH System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2052 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takumi, Ching and Pine.

SCRep. 5-10 Higher Education on H.B. No. 2053

The purpose of this bill is to help the University of Hawaii (UH) defray the costs involved in:

- (1) Carrying out capital improvements program (CIP) projects managed by UH;
- (2) Equitably assessing, collecting, and distributing moneys for current and other expenses associated with CIP projects, repair and maintenance projects, and major renovation projects; and
- (3) Managing the payment of expenses assessable against CIP projects managed by or through UH,

by establishing a UH Capital Improvements Program Project Assessment Special Fund.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takumi, Ching and Pine.

SCRep. 6-10 Higher Education on H.B. No. 2054

The purpose of this bill is to give the University of Hawaii (UH) the following forms of fiscal autonomy from the Comptroller beyond June 30, 2011:

- (1) Denying the Comptroller the authorization to have complete supervision over all of UH's accounts;
- (2) Allowing UH to install an accounting system designed for colleges and universities, instead of the system used by other state agencies;
- (3) Allowing UH to develop new and change existing business and accounting forms, without the prior approval of the Comptroller, except forms of statewide use in the State's accounting system;
- (4) Allowing UH's chief financial officer, instead of the Comptroller, to approve the assignment of debt by UH's creditors;

The bill also, on a permanent basis, gives the Comptroller access to certain UH fiscal matters by:

- (1) Authorizing the Comptroller to require UH to provide information necessary for the Comptroller to prepare required financial statements; and

(2) Requiring UH to report to the Comptroller at least 15 days after each quarter, all transactions relating to moneys held outside of the state treasury.

The University of Hawaii System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2054 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takumi, Ching and Pine.

SCRep. 7-10 Labor & Public Employment on H.B. No. 2103

The purpose of this bill is to promote the ability of employees to organize and collectively bargain the terms of employment, by:

- (1) Authorizing non-supervisory legislative employees to organize through a streamlined union certification process when a majority of employees sign union authorization cards;
- (2) Providing an expedited process for initial collective bargaining agreements for these employees; and
- (3) Establishing a separate collective bargaining unit for these employees.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, testified in support of this bill with amendments. The Department of Labor and Industrial Relations opposed this measure. The Office of Collective Bargaining submitted comments.

By allowing non-supervisory legislative employees to unionize, this bill provides these employees a larger role in the decisions that affect working conditions. However, there are questions regarding the necessity of the streamlined union certification and expedited collective bargaining provisions of this bill. There are also practical considerations with establishing a single bargaining unit for all types of non-supervisory legislative employees, while existing bargaining units under section 89-6, Hawaii Revised Statutes, are arranged by job classification or profession. Your Committee is aware of these issues and is moving this bill along for further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2103 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

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

SCRep. 8-10 Transportation on H.B. No. 2005

The purpose of this bill is to add a fine as a penalty for not registering a bicycle or moped.

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

Currently, there is a requirement to register a bike or moped but no penalty provision for not doing so. This bill corrects this apparent oversight. Registration facilitates the return of recovered stolen items.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2005 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 9-10 Transportation on H.B. No. 2020

The purpose of this bill is to ensure the safety of the public by expanding county enforcement of traffic regulations on public streets, roads, or highways whose ownership is in dispute between the State and the county, and on private streets, highways, or thoroughfares, to include laws relating to county vehicular taxes, motor vehicle safety responsibility, traffic violations, use of intoxicants while operating a vehicle, motor vehicle insurance, and odometers.

The Department of Transportation, Mayor of the County of Hawaii, County of Hawaii Police Department, and a concerned individual testified in support of this bill.

There are hundreds of miles of private roadways throughout the state that are open to the public. However, your Committee notes that questions have been raised regarding the legality of police officers enforcing traffic laws on these roadways. The District Court of the Third Circuit has questioned whether traffic laws such as those relating to seatbelt and child restraint violations, driving under the influence, and no-fault insurance requirements may be enforced on these private roads.

Your Committee finds that these circumstances present a serious public safety issue, and that laws regarding motorcycle and motor scooter insurance should also be considered among those enforceable by the counties. Thus, your Committee has amended this bill by adding article 10G of chapter 431, Hawaii Revised Statutes, relating to motorcycle and motor scooter insurance, to the provisions enforceable by the counties.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2020, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 10-10 Transportation on H.B. No. 1859

The purpose of this bill is to help cover the costs of administering parking for persons with disabilities by increasing the annual vehicle registration fee by \$1, which will be deposited into the Disability and Communication Access Board Special Fund (Special Fund).

This bill also statutorily repeals the deposit of application fees for the credentialing of interpreters into the Special Fund, and the use of Special Fund moneys to cover the costs of administering the program for their credentialing.

The Disability and Communication Access Board, City and County of Honolulu, and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Transportation offered comments.

Your Committee finds that with the aging of the population and the projected increase in the number of individuals who are eligible for parking placards, the parking program for persons with disabilities will become a burden on the general fund. A nominal increase in the annual vehicle registration fee would ensure the continuation of a quality parking program without draining general funds.

However, more time must be allowed to ensure that the appropriate changes can be made to the various computer programs to implement the provisions of this bill. Thus, as suggested by the City and County of Honolulu, your Committee has amended this bill by changing its effective date to November 1, 2010.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1859, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Pine.

SCRep. 11-10 Judiciary on H.B. No. 1901

The purpose of this bill is to improve the timeliness of procuring voting equipment by removing the purchase of voting system equipment from the requirements of Hawaii's procurement code.

The Department of the Attorney General, Office of Elections, and County Clerks of Hawaii, Maui, Kauai, and the City and County of Honolulu testified in support of this bill. A concerned individual opposed this measure. The State Procurement Office did not support this bill.

Your Committee has amended this measure by:

- (1) Inserting language establishing December 31, 2010, as the date this Act will be repealed; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1901, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 12-10 Education on H.B. No. 1854

The purpose of this bill is to allow use of food distribution program revolving funds for program-related expenses, such as consultant or personal services, travel expenses, and the purchase of furniture, equipment, computer hardware, or office supplies, as allowed under Title 7, Section 250.15 of the Code of Federal Regulations.

The Department of Education (DOE) supported this bill.

Given these tough economic times, unnecessary restrictions place a greater strain on DOE funds.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1854 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 13-10 Education on H.B. No. 1852

The purpose of this bill is to repeal the School-level Minor Repair and Maintenance Account because its requirements are duplicate and unnecessary.

The Department of Education testified in support of this bill.

Your Committee has amended this bill by adding provisions to:

- (1) Require a report to be submitted to the Director of Finance, no later than 90 days after the close of each fiscal year, identifying the total amount of special funds in the account that will carry over to the next fiscal year; and
- (2) Require a copy of that report to be submitted to the Legislature at least 20 days prior to the convening of each Regular Session.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1852, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 14-10 Education/Labor & Public Employment on H.B. No. 2190

The purpose of this bill is to authorize the Hawaii Teacher Standards Board (Board) to delegate certain duties to the executive director or other designee so that routine license applications can be approved in a timely manner. This bill also sets forth discretionary functions that may not be delegated, that result in a final decision that is related to:

- (1) Adopting, amending, or repealing rules;
- (2) Ordering disciplinary action against a licensee; and
- (3) Granting or denying license and permit applications requiring the Board's expertise.

The College of Education at the University of Hawaii-Manoa and the Board testified in support of this bill. A concerned individual opposed this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2190 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, M. Lee, Manahan, Shimabukuro and Yamane.

SCRep. 15-10 Energy & Environmental Protection on H.B. No. 1928

The purpose of this bill is to protect Hawaii's natural resources from invasive species by enabling adjoining property owners to enter a neighbor's property to control and eradicate invasive species:

- (1) After reasonable notice is given to the owner of the property; and
- (2) If entry is refused, after obtaining a court order.

The Nature Conservancy, Hawaii Audubon Society, Sierra Club – Hawaii Chapter, Malama O Puna, and several individuals testified in support of this bill. The Department of Land and Natural Resources, Department of Agriculture, Good Shepherd Foundation, Animal Rights Hawaii, Humane Society of the United States, American Civil Liberties Union of Hawaii, and several individuals opposed this measure.

Invasive species are proliferating and have become an increasing problem in Hawaii. Once an invasive species becomes established, eradication becomes more and more difficult over time. Allowing owners of an adjoining property to enter another property with reasonable notice or under a court order to control or eradicate an invasive species may help to diminish or eliminate the establishment of an invasive species.

However, your Committee recognizes that there are concerns regarding the rights of private property owners. Accordingly, your Committee has amended this bill by:

- (1) Deleting provisions that simply allow adjoining property owners to enter a neighbor's property to control and eradicate invasive species after reasonable notice is given to the owner of the property;
- (2) Inserting language allowing an adjoining property owner to apply to the district court of the circuit in which the property is situated for a warrant, directed to any police officer of the circuit, commanding that officer to take sufficient aid and to assist the adjoining property owner in gaining entry onto the premises, and executing measures to control or eradicate the invasive species;
- (3) Establishing a set of conditions that must be met before the adjoining property owner may apply for the warrant;
- (4) Inserting a definition of "adjoining property owner"; and

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1928, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke and Thielen.

SCRep. 16-10 Energy & Environmental Protection on H.B. No. 2236

The purpose of this bill is to ensure that agencies that perform energy efficiency retrofitting will continue to receive budget appropriations at amounts that do not fall below the pre-retrofitting energy budget.

The Blue Planet Foundation supported this bill. The Department of Budget and Finance opposed this measure. Noresco provided comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2236 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke and Thielen.

SCRep. 17-10 Energy & Environmental Protection on H.B. No. 2239

The purpose of this bill is to improve Hawaii's Deposit Beverage Container Program (Program) by removing the exemption for dietary supplements and energy drink containers from the Program through amending the definition of "deposit beverage."

The Sierra Club-Hawaii Chapter and Reynolds Recycling submitted testimony in support of this bill.

Your Committee finds that there have been significant increases in the number of beverages that fall under the category of dietary supplements, including "energy" drinks, and this measure will increase the capture rate for these containers and also make the Program comprehensive and easier for both the consumer and recycler.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke and Thielen.

SCRep. 18-10 Energy & Environmental Protection on H.B. No. 2238

The purpose of this bill is to clarify Hawaii's Renewable Portfolio Standards (RPS) law by amending the definition of "renewable electrical energy" to include customer-sited, grid-connected renewable energy generation, beginning January 1, 2015.

The Department of Business, Economic Development, and Tourism; Office of Consumer Protection of the Department of Commerce and Consumer Affairs; Sierra Club-Hawaii Chapter; Public Utilities Commission; Hawaiian Electric Company; Maui Electric Company; and Hawaii Electric Light Company testified in support of this bill. Island Pacific Energy and Blue Planet Foundation testified in opposition to this measure. The Hawaii Solar Energy Association and Hawaii Renewable Energy Alliance offered comments.

Your Committee finds, with respect to RPS, that beginning January 1, 2015, customer-sited, grid-connected renewable-energy systems (customer-sited systems) will no longer be included in the category of "electric energy savings." Your Committee notes that this bill will make it explicit that beginning January 1, 2015, customer-cited systems will be in the "electrical energy generated" category.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2238 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Luke and Thielen.

SCRep. 19-10 Energy & Environmental Protection on H.B. No. 2197

The purpose of this bill is to give boards of directors authority to install or allow the installation of solar or wind energy devices on the common elements of condominiums.

The Blue Planet Foundation testified in support of this bill. The Sierra Club-Hawaii Chapter supported the general purpose of this measure. The Hawaii Association of Realtors supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Making technical, Nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2197, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Luke and Thielen.

SCRep. 20-10 Human Services on H.B. No. 1957

The purpose of this bill is to require public events to celebrate Children and Youth Day to be held on the State Capitol grounds on the first Sunday in October.

The Good Beginnings Alliance and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1957 and recommends that it pass Second Reading and be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 21-10 Housing on H.B. No. 2110

The purpose of this bill is to permit members of planned community associations to make electronic recordings of association meetings for private personal use.

A concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2110 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Ito, Luke, Ching and Thielen.

SCRep. 22-10 Consumer Protection & Commerce on H.B. No. 2027

The purpose of this bill is to clarify that payees or holders in due course may assess a service charge up to \$30 for a dishonored check.

The Retail Merchants of Hawaii and the Consumer Data Industry Association testified in support of this bill. The Department of Commerce and Consumer Affairs provided comments.

Your Committee finds that clarifying how much a business may assess for a dishonored check will make it easier for them to recoup the costs associated in collecting on a returned check.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 23-10 Higher Education/Education on H.B. No. 2305

The purpose of this bill is to eliminate an entity the functions of which are already being carried out regardless of its existence, by repealing the law establishing the Hawaii Institute for Educational Partnerships.

The University of Hawaii at Manoa (UH-Manoa) and UH-Manoa College of Education testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2305 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 24-10 Transportation on H.B. No. 2022

The purpose of this bill is to ensure updated and accurate information is reflected in Hawaii's laws by repealing obsolete provisions relating to annual motor vehicle registration.

The City and County of Honolulu's Department of Customer Services supported this bill.

Your Committee finds that the provisions being repealed by this bill are outdated, as all counties converted to the current staggered motor vehicle registration program in 1981.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 25-10 Transportation on H.B. No. 1860

The purpose of this bill is to improve the administration of the parking program for persons with disabilities by, among other things:

- (1) Designating the Disability and Communication Access Board (DCAB) as the issuing agency for removable windshield placards, temporary removable windshield placards, special license plates, and identification cards;
- (2) Removing the specific reference to the counties as the issuing agency while maintaining DCAB's flexibility to contract with the counties to issue removable windshield placards, temporary removable windshield placards, special license plates, and identification cards on DCAB's behalf;
- (3) Allowing counties to retain any transaction fees charged for the issuance of placards, license plates, and identification cards;
- (4) Extending the expiration date of removable windshield placards from four to six years;
- (5) Providing for the issuance of a second removable windshield placard or temporary removable windshield placard upon request of the applicant; and
- (6) Removing the reimbursement rate to the counties from statute and placing it into administrative rules.

DCAB and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Customer Services (DCS) of the City and County of Honolulu supported this measure in part and opposed this measure in part.

DCAB currently administers, and has the overall responsibility for the coordination of, the parking program for persons with disabilities. While the counties have been issuing parking placards, license plates, and identification cards on behalf of the State, specifying that DCAB is the issuing agency for these items and may contract with the counties to provide this service on behalf of the State more accurately reflects the federal law requirements for this program.

In the past, reimbursement rates to the counties for their role in the program were statutorily established and the fees counties collected for transactions in issuing placards, license plates, and identification cards were remitted to the general fund. This measure simplifies the accounting process.

Finally, your Committee finds that extending the expiration date of the removable windshield placard from four to six years will be a cost savings measure for DCAB while maintaining the integrity of the program. This will also be beneficial to persons with disabilities in that they would have a longer period of time before having to renew their placard.

However, your Committee understands the concerns raised by DCS that removal of statutory language contained in the bill may be misconstrued as eliminating the State's obligation to reimburse the counties for their services. Accordingly, your Committee has amended this measure by inserting language to clarify that the State shall reimburse the counties for the issuance of the removable and temporary removable windshield placards, license plates, and identification cards on the State's behalf.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1860, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Pine.

SCRep. 26-10 Transportation on H.B. No. 1978

The purpose of this bill is to improve towing services and protect tow-companies, as well as consumers, by requiring tow-companies to:

- (1) Be in operation 24 hours per day, seven days a week; and

- (2) Maintain, at minimum, liability insurance coverage of \$1,000,000.

The Hawaii State Towing Association and GEICO in Hawaii testified in support of this bill. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs commented on this measure.

Currently, tow-companies are only required to be in operation 24 hours a day, seven days a week if they operate in a county with a population greater than 500,000 persons and want to be entitled to overtime charges. This has created a problem for both consumers and businesses that are often unable to recover their cars from tow-companies because they are closed. Moreover, because consumers and businesses alike are unable to retrieve their vehicles in a timely manner, they are often faced with increased towing costs due to storage fees.

Tow-companies are also required to maintain insurance coverage sufficient to protect owners of towed vehicles in the event of vehicle loss or damage due to towing. However, according to the Hawaii State Towing Association, some tow-companies only maintain no-fault insurance to satisfy this requirement which in actuality may not be sufficient to cover damages to today's higher end vehicles.

Your Committee finds that this measure addresses both of these issues. However, your Committee also understands that it may not be feasible for smaller towing companies operating in less populous counties to maintain operations for a 24-hour period. Accordingly, your Committee has amended this bill by making the 24-hour operation requirement only applicable to counties with a population greater than 500,000.

Your Committee has further amended this measure by:

- (1) Stipulating that services provided by 24-hour towing companies also include the release of vehicles kept in storage to a registered owner, legal owner, insurer, or a designated representative;
- (2) Amending the insurance requirements for tow-companies to include coverage for bodily injury of not less than \$500,000; coverage for property damage of not less than \$200,000; on-hook coverage of not less than \$175,000; or a combined single limit of liability of not less than \$1,000,000; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1978, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 27-10 Health on H.B. No. 2084

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating state funds to maximize the availability of the federal disproportionate share hospital (DSH) allowance. Specifically, this bill appropriates \$12,654,867:

- (1) For fiscal year (FY) 2010 to match the federal DSH allowance allocated to Hawaii; and
- (2) A portion of which may be used to obtain matching federal DSH allowance for prior FY expenditures by the State.

Kaiser Permanente, The Queen's Medical Center, Hawaii Pacific Health, Healthcare Association of Hawaii, Hawaii Medical Service Association, and AARP testified in support of this bill. The Department of Human Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2084 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 28-10 Health on H.B. No. 2138

The purpose of this bill is to ensure that all children have the opportunity to thrive in an abuse-free home by establishing the Healthy Start Program (Program) in statute and exempting it from the budget allotment system.

The Hawaii Family Support Institute, American Congress of Obstetricians and Gynecologists, Blueprint for Change, and several concerned individuals testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Providing that any exemptions of the Program from the budget allotment system with respect to services provided or contracted by the Department of Health shall be determined by the Legislature;
- (2) Removing language specifying that the Program is exempt from budget reductions made under the allotment system;
- (3) Removing language specifying that the Program's exemption from the allotments system applies to personnel positions;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2138, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Carroll.

SCRep. 29-10 Health on H.B. No. 2206

The purpose of this bill is to improve and expand health care plan options in Hawaii by establishing the Health Savings Accounts Assessment Task Force (Task Force) to:

- (1) Study the current state of health savings accounts options in Hawaii's health insurance market;
- (2) Establish a plan of action to encourage and expand the use of health savings accounts in Hawaii;
- (3) Identify and recruit health plans that may help expand the availability of health savings accounts in Hawaii; and
- (4) Assess the potential economic impact, including costs and benefits, of expanding health savings accounts options in Hawaii, and estimate the potential savings for individuals and employers who are offered health savings accounts.

The Department of Commerce and Consumer Affairs, Hawaii Medical Association, Hawaii Medical Service Association, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Requiring the Director of Labor and Industrial Relations to appoint the Task Force members by January 1, 2011;
- (2) Reducing the number of Task Force members from 20 to 13 members;
- (3) Clarifying that two of the members must be from the banking industry and two members will be from community not-for-profit organizations;
- (4) Providing that the Task Force will cease to exist on December 31, 2011;
- (5) Extending the date upon which the Task Force will provide its findings and recommendations to the Legislature to no later than 20 days prior to the 2012 Regular Session;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2206, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Carroll.

SCRep. 30-10 Higher Education/Judiciary on H.B. No. 2051

The purpose of this bill is to allow the University of Hawaii (UH) to more efficiently establish fees for campus parking by exempting the rulemaking process from the public notice, public hearing, and gubernatorial approval requirements of Hawaii's administrative procedures law.

The UH System testified in support of this bill. The UH Student Caucus opposed this measure. A concerned individual offered comments.

As affirmed by the records of votes of the members of your Committees on Higher Education and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2051 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Berg, Carroll, Luke, Saiki, Souki, Takai, Takumi, Pine and Thielen.

SCRep. 31-10 Hawaiian Affairs on H.B. No. 1964

The purpose of this bill is to require consultation of the appropriate island burial council, Hui Malama, the Office of Hawaiian Affairs, the designated native Hawaiian organization, and lineal or cultural descendants, when repatriating human remains, funerary objects, sacred objects, and objects of cultural patrimony subject to the federal Native American Graves Protection and Repatriation Act of 1990 (NAGPRA).

The Kanaka Council Moku O Keawe and several concerned individuals testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Department of Land and Natural Resources (DLNR) opposed this bill. The Attorney General provided comments.

Your Committee notes that concerns were raised that language in this bill referring to the NAGPRA, which has federal consultation requirements that differ from the state requirements for consultation in this bill, may result in litigation contesting the propriety of DLNR State Historic Preservation Division's repatriation process. However, because of general support for the intent of this bill, which is to expand the consultation process, your Committee is passing out this bill to encourage further discussion on this matter.

Your Committee has amended this bill by:

- (1) Adding Kanaka Council Moku O Keawe to the list of entities to be consulted prior to repatriation;
- (2) Clarifying the name of the organization "Hui Malama" to include its complete name, "Hui Malama I Na Kupuna O Hawai'i Nei;" and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1964, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 32-10 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 1969

The purpose of this bill is to require the State Land Surveyor to prepare and file with the Bureau of Conveyances a survey map of an approved burial preservation or mitigation plan.

The Office of Hawaiian Affairs, Kanaka Council Moku O Keawe, and several concerned individuals supported this bill. The Department of Land and Natural Resources (DLNR) opposed this measure. The Society for Hawaiian Archaeology provided comments.

Your Committees respectfully request to work with the Committee on Judiciary to discuss legal concerns, including possible financial burdens on the State Historic Preservation Division, raised during discussion with DLNR, during the public hearing.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1969 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Chang, Chong, Luke, Mizuno, Yamane and Thielen.

SCRep. 33-10 Education on H.B. No. 1851

The purpose of this bill is to facilitate the process by which the Department of Education (DOE) obtains approval for the State to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees for public school purposes and functions at county facilities.

The City and County of Honolulu and a concerned individual testified in support of this bill. The Department of the Attorney General and DOE supported the intent of this measure.

Your Committee has amended this bill to provide for a streamlined approval process while ensuring balance over the breadth of the indemnification by, among other things:

- (1) Allowing the Governor to delegate to the Superintendent of Education (Superintendent) the authority to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees, rather than allowing DOE to agree in writing to an indemnity provision by which the State agrees to do so;
- (2) Requiring the Governor to approve the indemnity provision to be used by the Superintendent, rather than requiring that a single form for proposed indemnification be submitted by DOE;
- (3) Requiring, as a condition for the Governor to delegate the authority, that the comptroller obtain an insurance policy that is sufficient to cover the State's liability, unless the comptroller determines that obtaining an insurance policy is not in the State's best interest;
- (4) Changing all references to "county facilities" to "county properties"; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1851, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 34-10 Education/Higher Education on H.B. No. 1849

The purpose of this bill is to provide flexibility to the department of accounting and general services, the University of Hawaii, and the Department of Education (DOE) to accept electronically mailed warrant vouchers, bills of materials, and other supporting documents as original documents.

The DOE and the High Technology Development Corporation testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1849 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Manahan and Pine.

SCRep. 35-10 Education/Higher Education on H.B. No. 1850

The purpose of this bill is to:

- (1) Require the Department of Education (DOE) to conduct proposed payment preaudits only on payments of \$10,000 or more;
- (2) Allow the University of Hawaii (UH) and DOE to preaudit sample populations for proposed payments of less than \$10,000; and
- (3) Extend the fiscal autonomy previously granted to UH and DOE until June 30, 2015.

DOE supported this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1850 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Manahan and Pine.

SCRep. 36-10 Education/Labor & Public Employment on H.B. No. 2074

The purpose of this bill is to require the Department of Education (DOE) to establish alternative routes to certification for principals and vice-principals that meet the criteria set by the United States Department of Education for state applications for Race to the Top fund allocations under the federal American Recovery and Reinvestment Act of 2009.

This bill also removes DOE's authority to waive the certification and school-level experience requirements for vice-principal candidates on a case-by-case basis.

DOE and the Hawaii Government Employees Association offered comments.

Your Committees intend that any effort to establish alternative routes to certification for principals and vice-principals be in alignment with the "Profile of an Effective School Leader," the document that sets the standards for DOE principals and vice-principals.

Your Committees have amended this bill by:

- (1) Allowing DOE to, on a case-by-case basis, waive certification requirements until the alternative routes to certification are established; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2074, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2074, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, M. Lee, Manahan and Shimabukuro.

SCRep. 37-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 462

The purpose of this bill as originally received by your Committee on Economic Revitalization, Business, & Military Affairs, was to support the provision of veterans' rights and benefits by setting aside \$2 from each fee charged for certain special number license plates and transferring these funds annually to the Director of Finance for the benefit of the Office of Veterans' Services (OVS).

Prior to the hearing, your Committee circulated a Proposed House Draft 1 for review and comment. A public hearing was held on, and testimony was received for, the Proposed House Draft 1.

As amended, the purpose of this bill is to honor female veterans by authorizing the issuance of special number military plates for female veterans.

The Oahu Veterans Council testified in support of this bill. OVS supported the intent of the measure. The Department of Customer Services (DCS) of the City and County of Honolulu opposed this bill.

Over the years, the percentage of women serving in the armed services has grown. Currently, approximately 15 percent of active duty personnel and 15 percent of those serving in the reserves and National Guard are female. Honoring female veterans with a special number plate is appropriate at this time.

While your Committee understands the concerns raised by DCS regarding the proliferation of special number plates and their impact on the general public and law enforcement, these concerns are under the purview of the Committee on Transportation. Your Committee respectfully requests that the Committee on Transportation review this issue should it choose to hear this measure.

Your Committee has further amended this bill by changing its effective date to July 1, 2112, to continue further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 462, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 38-10 Human Services on H.B. No. 1914

The purpose of this bill is to improve access to economic and educational opportunities that help families achieve self-sufficiency and financial security while reducing the number of Hawaii residents living in poverty by:

- (1) Establishing the Economic Opportunity Poverty Reduction Task Force (EOPRTF) to assess current state policies and practices, along with evidence-based solutions used in other states, that promote economic opportunity and poverty reduction; and
- (2) Developing a strategic, integrated, and comprehensive plan to expand economic opportunities in Hawaii to reduce, by at least 50 percent by 2020, the number of Hawaii residents, including children and families, living in poverty.

The National Association of Social Workers-Hawaii Chapter and a concerned individual supported this bill.

Your Committee recommends that the EOPRTF incorporate and build upon the work and recommendations of the Asset-Building Task Force that recently completed its work in 2009.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1914 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

SCRep. 39-10 Human Services on H.B. No. 1885

The purpose of this bill is to continue to protect individuals under protective orders by extending the sunset date of the electronic monitoring program from July 1, 2010, to July 1, 2011. This measure also requires the Judiciary to submit a report to the Legislature on its concerns and recommendations for improving the global positioning satellite tracking system.

The Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, and a concerned individual supported this bill. The City and County of Honolulu Department of the Prosecuting Attorney supported this measure with amendments. The Judiciary did not support this bill.

Your Committee has amended this bill by extending the sunset date to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1885, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 40-10 Human Services on H.B. No. 1936

The purpose of this bill is to develop standards of practice and establish a child custody evaluator registry to assist the court in awarding custody in child custody cases.

The National Association of Social Workers - Hawaii Chapter and several concerned individuals testified in support of this bill. A concerned individual supported this bill with amendments. The Judiciary offered comments.

Your Committee wishes to clarify its intent to continue to allow social workers employed by the Judiciary to be appointed by the court as child custody evaluators, while exempting them from the annual declaration and registration requirements established by this bill. As such, your Committee has amended this bill by excluding social workers employed by the Judiciary from the annual declaration and registration requirements for child custody evaluators.

Your Committee has further amended this bill by:

- (1) Changing its effective date to July 1, 2050; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1936, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 41-10 Human Services/Health on H.B. No. 2144

The purpose of this bill is to ensure the continuation of the discussion of important issues that face our state, relating to our children and youth, and aged and elderly. Specifically, this bill statutorily establishes the joint legislative keiki caucus and joint legislative kupuna caucus.

Your Committees have discussed whether any other legislative caucus has been statutorily established, and respectfully request that subsequent committees consider whether or not the statutory establishment of the keiki and kupuna caucuses will delegitimize the other caucuses that have not been statutorily established.

The Hawaii Alliance for Retired Americans and AARP Hawaii testified in support of this measure.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2144, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2144, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 42-10 Education/Labor & Public Employment on H.B. No. 2203

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.

The Hawaii Government Employees Association supported this bill. DOE and the Department of Human Resources Development opposed this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2203 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, M. Lee, Manahan and Shimabukuro.

SCRep. 43-10 Labor & Public Employment on H.B. No. 1903

The purpose of this bill is to mitigate some of the hardships faced by those who retired or lost their jobs in the recent state reduction in force (RIF) by appropriating general fund revenues to pay for:

- (1) Unemployment benefits to persons laid off because of RIF;
- (2) Accumulated vacation leave for persons who retired or were laid off because of RIF; and
- (3) Health benefits for persons who retired from state employment and their dependent beneficiaries.

The Hawaii Government Employees Association testified in support of this bill. The Department of Human Resources Development offered comments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1903 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 44-10 Labor & Public Employment on H.B. No. 2163

The purpose of this bill is to require all state employees hired prior to July 1, 1998, who have not designated a financial account into which the State is authorized to deposit the employee's pay, designate an account no later than a date to be determined.

The Department of Education (DOE) testified in support of this bill.

Your Committee notes DOE's concern that the implementation of furlough days has impacted paycheck processing on paydays that coincide with furlough days. The logistics of island-by-island distribution of checks is challenging and payment to those without direct deposit may be delayed.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2163 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 45-10 Labor & Public Employment on H.B. No. 437

The purpose of this bill is to support members of the military by providing extended health benefits coverage under the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) for dependent-beneficiaries who are unmarried full-time students and called to active duty in federal service while a member of the military reserves.

A concerned individual testified in support of this bill.

EUTF rules limit health benefits eligibility for dependent-beneficiaries to under age 24 for those who are full-time students and unmarried children of employee-beneficiaries. Your Committee finds there may be occasions when these dependent-beneficiaries may lose periods of coverage after being called to active military duty. This bill seeks to restore these lost health benefits.

Your Committee has amended this bill by:

- (1) Requiring that the administrative rules implementing this measure be adopted pursuant to the requirements of chapter 91, Hawaii Revised Statutes;
- (2) Making the amount of extended health benefits coverage the length of time that the dependent-beneficiary was deployed after being called to active duty while a full-time student under the age of 24; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 437, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-10 Labor & Public Employment on H.B. No. 1877

The purpose of this bill is to exempt all permanent and temporary public employee positions funded by any amount of non-general funds from furloughs and reductions in force.

The Office of Collective Bargaining; Department of Education; Department of Budget and Finance; Department of the Attorney General; City and County of Honolulu Department of Human Resources; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; and Hawaii State Teachers Association opposed this bill.

Your Committee has amended this bill by exempting all non-general funded permanent and temporary public employee positions from being eliminated, instead of being exempt from furloughs and reductions in force.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1877, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 47-10 Labor & Public Employment on H.B. No. 2169

The purpose of this bill is to assist employers and employees by adjusting the unemployment insurance (UI) contribution rates for employers and the benefit amounts paid to employees from the UI trust fund while maintaining adequate reserves in the UI trust fund. Specifically, this bill:

- (1) Sets, for calendar year 2010, the employer contribution rate at schedule D and the wage base at 90 percent of the average annual wage;

- (2) Sets, for calendar year 2011, the employer contribution rate at schedule G; and
- (3) Makes permanent the provision that sets the maximum weekly benefit rate at 75 percent of the average weekly wage, beginning January 1, 2011.

This measure further authorizes special assessments to be made upon employers to pay the interest costs on loans received from the U.S. Secretary of Labor to pay expected UI benefit claims.

The Hawaii Building and Construction Trades Council, AFL-CIO, and Hawaii Dental Association testified in support of this bill. The Department of Labor and Industrial Relations (DLIR), Hawaii Government Employees Association, Hawaii State AFL-CIO, ProService Hawaii HR Administration, United Public Workers, and Hawaii Credit Union League supported the intent of this measure. The Kauai Chamber of Commerce; Hawaii Alliance of Nonprofit Organizations; Syngenta Hawaii; Japanese Chamber of Commerce and Industry of Hawaii; Hong Kong-China-Hawaii Chamber of Commerce; City Mill Company, Ltd.; Monsanto in Hawaii; StarrEd, LLC; Manga Heart, LLC; The Right Slice, Kaua'i Fresh Pies; Norpac Fisheries Export; HPM Building Supply; Hilo Rite Care Center; Steiner & Associates; Smith's Motor Boat Service, Inc.; Valenti Print Group; Kauai Publishing Company; Grand Hyatt Kauai Resort and Spa; Contract Furnishers of Hawaii, Inc.; Securitas Security Services, USA, Inc.; Hawaiian Telcom; Orchid Isle Auto Center; Tropical Dreams Ice Cream; Midpac Auto Center, Inc.; Guava Express, Inc.; Ryusaki General Repair, Inc.; ITO EN (USA), Inc.; Professional Contractors, Inc.; Aloha Laser Vision; Maui Family Support Services, Inc.; J. Walter Cameron Center; HSC, Inc.; Just In Time Foods Windward, Inc., dba McDonald's of Temple Valley; Hamakua Health Center, Inc.; PuroClean Emergency Restoration Services on Maui; Wine The Experience; Xcel International, Inc.; Senior Options, LLC; Mental Health Association in Hawaii, Maui County Branch; Kauai County Farm Bureau; Horizon Financial, LLC; Pacific Panel Cleaners; Pacific Oasis, Inc, dba Spices Restaurant at the Maui Coast Hotel; Popeyes Chicken and Biscuits; and two individuals supported this bill with amendments. Nori's Saimin & Snacks, Inc., opposed this measure. The Chamber of Commerce of Hawaii; ILWU Local 142; Building Industry Association of Hawaii; Retail Merchants of Hawaii; National Federation of Independent Business; Hawaii Hotel & Lodging Association; Hawaii Crop Investment Association; Honolulu Japanese Chamber of Commerce; Hawaii Island Chamber of Commerce; thelimtiacocompany Communication Consultants; Hawaiian Airlines; RPMS Auto Body & Painting, Inc.; Aiona Car Sales; Kona Metro Parking & Watchman Services, Inc.; Blue Dragon Restaurant; Noho'ana Solar Technologies, Inc.; Kona-Kohala Chamber of Commerce; Hilo Propane Inc.; Grand Wailea; C&T Restaurants, LLC; Dolphin Journeys, LLC; Big Island Jewelers, Ltd.; Pacific Boats & Yachts, LLC; Ocean Sports Waikoloa; Recycling & Cryogenic Technologies, LLC; Trudy's Island Arts; Jackie Rey's Ohana Grill; Cyanotech Corporation; Kailua Bay Charter Company, Inc.; Bolton Inc.; Hincheliff Drywall Construction & Supply, Inc.; Outrigger Hotels and Resorts; Jack's Diving Locker; Big Island Motorcycle Company; Singha Thai Cuisine; Chai's Island Bistro; Two Skinny Chefs; Kailua Chamber of Commerce; Maui Chamber of Commerce; Highway Inn; Today's Little People, Inc.; Big City Diner; Communication Center of Hawaii; Engineering Partners, Inc.; Loomis-ISC; Valley Isle Pumping, Inc.; and several concerned individuals provided comments.

In 2007, due to low unemployment rates in Hawaii and a large amount of reserves in the UI trust fund, the Legislature passed Act 110, which reduced rates employers paid into the fund. Given that at the time the UI trust fund had approximately \$500 million in reserves, providing employers with some relief from UI contributions appeared to be a prudent move. However, Act 110 also contained provisions that would trigger the old contribution rates if the reserves in the UI trust fund became inadequate.

Since that time, Hawaii, as well as the rest of the nation, has experienced what is being called "The Great Recession" which has resulted in numerous business closures and massive layoffs causing unemployment rates to skyrocket. Prior to the current recession, Hawaii experienced unemployment rates in the neighborhood of two percent. Presently, Hawaii is experiencing unemployment rates of around seven percent, a five percentage point increase. This increased unemployment has strained the UI trust fund to the point where, according to DLIR, the fund will have a zero balance by October or November of this year.

The rapidly decreasing amount of the UI trust fund initiated the trigger established in Act 110, and will cause the UI contribution rates to increase, which for many businesses will be substantial. On average, the UI contribution rate will increase from \$90 per employee per year to almost \$1070 per employee per year which will be difficult for businesses to bear and may have an enormous impact on the overall economic recovery of the state.

Although your Committee understands the concerns raised about the future adequacy of the UI trust fund and the potential need for financial support for workers who may be affected by continually lagging economic conditions, striking a balance that provides necessary relief for employers from dramatic increases in UI contribution rates against the need to maintain an adequate level of trust fund reserves is one way to work toward improving Hawaii's economy. This measure attempts to do just that.

Further, your Committee notes that current UI contribution rate calculations are performed on an annual basis. Performing these calculations semi-annually rather than annually may help to mitigate these drastic types of rate increases in the future.

Your Committee has amended this bill by:

- (1) Requiring that the UI contribution rate schedules be determined semi-annually rather than annually beginning in 2012;
- (2) Inserting definitions for "adequate reserve fund", "remuneration", and "semi-annual payroll" and deleting the definition of "annual payroll" to reflect the new semi-annual determination of the rate schedules;
- (3) Establishing for recalculation of the adequate reserve fund using a ratio of one and one-quarter rather than one and one-half beginning in 2011; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-10 Labor & Public Employment on H.B. No. 2379

The purpose of this bill is improve the process of the investigation of complaints by the Hawaii Civil Rights Commission (HCRC) by clarifying statutorily established confidentiality provisions which apply to the disclosure and allowable use of factual records obtained in the course of an investigation.

HCRC testified in support of this bill.

A number of respondents in investigations conducted by HCRC have requested that their statements be confidential as allowed under current law. However, some of these respondents have also asserted that this confidentiality request precludes the disclosure and use of their statements as evidence in any future proceedings, at times conditioning their cooperation and appearance for interviews with an assertion of confidential witness status. HCRC informed your Committee that they refuse these demands because it could limit the use of evidence obtained in the course of the law enforcement investigation for the prosecution of the complaint. This has resulted in resources being expended in litigating these issues in actions for subpoena enforcement. This measure should resolve this issue.

Technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2379, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 49-10 Agriculture on H.B. No. 2411

The purpose of this bill is to direct the Legislative Reference Bureau (LRB) to analyze and report on the economic impacts on businesses and communities, as a result of the reduction in services of the Department of Agriculture's (DOA) Plant Quarantine Branch and Commodities Branch throughout the state.

The Hawaii Farm Bureau Federation, Hawaii Papaya Industry Association, The Nature Conservancy of Hawaii, Hawaii Crop Improvement Association, and Coordinating Group on Alien Pest Species testified in support of this bill. LRB and Diamond Head Papaya Co., Ltd. offered comments.

Your Committee has amended this bill by:

- (1) Incorporating the content of H.B. No. 2412, which directs LRB to analyze and report on the environmental impacts on businesses and communities, as a result of the reduction in services of DOA's Plant Quarantine Branch and Commodities Branch throughout the state; and
- (2) Changing the effective date to January 20, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2411, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 50-10 Public Safety on H.B. No. 2274

The purpose of this bill is to ensure full disclosure and accountability on the use of funds collected to provide for wireless enhanced 911 services by requiring:

- (1) An annual independent audit of the Wireless Enhanced 911 Fund;
- (2) That the audit include information on the status of projects undertaken or planned by public safety answering points, including available funding; and
- (3) The results of the audit to be included in an annual report to the Legislature by the Wireless Enhanced 911 Board.

The Department of Accounting and General Services opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2274 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Saiki, Souki and Pine.

SCRep. 51-10 Agriculture on H.B. No. 2115

The purpose of this bill is to deter criminal activity against the agricultural industry by providing for a maximum fine of \$10,000 for criminal trespass in the second degree on agricultural lands.

The Hawaii Farm Bureau Federation and Maui Cattlemen's Association testified in support of this measure. The Hawaii Crop Improvement Association supported this measure with amendments.

Over the years the agricultural industry has experienced increasing instances of theft and vandalism. As these individuals must also trespass onto private property for these instances to occur, increasing the fine for criminal trespassing in the second degree onto agricultural land may act as a deterrent against this activity.

Your Committee has amended this bill by changing its effective date to January 20, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2115, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 52-10 Agriculture on H.B. No. 2291

The purpose of this bill is to allow the Department of Agriculture's (DOA) Measurement Standards Program (Program) to be financially self-supporting by:

- (1) Establishing the Weights and Measurements Special Fund, to consist of fees and other moneys to be used for the cost of administering the Program; and
- (2) Requiring the Board of Agriculture to adopt or amend rules relating to fees to be charged under chapter 486, Hawaii Revised Statutes, Measurement Standards.

Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, and Monsanto Hawaii supported this bill. DOA and Department of Budget and Finance submitted comments.

Your Committee finds that this bill provides a means, during these difficult economic times, of continuing to protect the public and support Hawaii's agriculture industries through DOA's agricultural inspection activities.

Your Committee has changed the effective date of this bill to January 20, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2291, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53-10 Agriculture on H.B. No. 2292

The purpose of this bill is to ensure the regulation of farm produce dealers. This bill establishes the Farm Produce Dealers Special Fund (Fund) and requires that fees, charges, expenses, fines, and other moneys collected be deposited into the Fund for the licensure of commission merchants, dealers, brokers, agents, processors, and retail merchants as well as for administrative, operational, and enforcement purposes.

The Hawaii Farm Bureau Federation and Monsanto Hawaii testified in support of this bill. The Department of Budget and Finance opposed this measure. The Department of Agriculture offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 20, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2292, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 54-10 Consumer Protection & Commerce on H.B. No. 2017

The purpose of this bill is to provide counties with the authority to either appoint or remove county liquor administrators:

- (1) Through the liquor commission or liquor control adjudication board; or

- (2) As prescribed in the charter of each county.

This bill also places the ancillary powers of the liquor administrator under the proper section of statutes.

The Hawaii Council of Mayors testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2017 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 55-10 Consumer Protection & Commerce on H.B. No. 2028

The purpose of this bill is make insurance more accessible to more people by requiring the insurance commissioner to approve the issuance of group life insurance policies that cover other than the listed groups and expand group disability insurance to include groups other than the listed groups.

The American Council of Life Insurers testified in support of this bill. The Department of Commerce and Consumer Affairs offered comments on this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2028 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Luke, Mizuno and Thielen.

SCRep. 56-10 Human Services on H.B. No. 747

The purpose of this bill is to effectuate its title.

H.B. No. 747 was introduced as a short-form bill, referred to as a "vehicle" bill, which ordinarily contains only a general idea as to the purpose of the bill without specific details.

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

Your Committee notes that the substantive contents added to this bill include a blank appropriation, however, should subsequent committees choose to hear this measure upon its re-committal, your Committee feels that an appropriation of \$300,000 in TANF funds should be sufficient.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out H.B. No. 747, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 747, H.D. 1.

Signed by all members of the Committee except Representative Bertram.

SCRep. 57-10 Transportation on H.B. No. 2433

The purpose of this bill is to allow state-funded construction projects to move forward quickly and efficiently by exempting Department of Transportation development and construction of highways and airports from county approval.

The Hawaii Building and Construction Trades Council, AFL-CIO; Building Industry Association of Hawaii; and a concerned individual testified in support of the bill. A concerned individual opposed this measure. The Department of Planning and Permitting of the City and County of Honolulu offered comments on this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2433 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee.

SCRep. 58-10 Transportation on H.B. No. 2603

The purpose of this bill is to reduce costs for the Highways Division of the Department of Transportation (DOT) by requiring:

- (1) Utilities whose facilities occupy state highway rights-of-way to provide their share of relocation costs up front; and
- (2) The cost differential between underground and overhead facilities to be shared equally by the utility and DOT.

DOT testified in support of this bill. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in opposition to this measure. The Gas Company and Hawaiian Telcom opposed this measure in part. The Public Utilities Commission provided comments.

Currently, when utility relocations or undergrounding of utility facilities occur in state highway projects, the utility is required to cost share with DOT. However, according to DOT, various interpretations of the law have resulted in inconsistent applications of the law which has resulted in a wide range of cost sharing to occur. Passage of this measure will help clarify the cost sharing requirements for the relocation and undergrounding of utility facilities and ultimately result in cost savings for DOT.

However, your Committee understands the concerns raised by Hawaiian Telcom that this measure may provide an unfair advantage to their telecommunication competitors. Accordingly, your Committee has amended this bill by exempting telecommunication companies from the cost-sharing requirements.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2603, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 59-10 Transportation on H.B. No. 2752

The purpose of this bill is to promote safety on Hawaii's roadways by enacting the recommendations of the Ignition Interlock Implementation Task Force (Task Force) established under Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Prohibits an individual who has been restricted to operating a vehicle with an ignition interlock device to knowingly circumvent or tamper with the device to operate the vehicle and provides for penalties for such a violation;
- (2) Prohibits individuals from knowingly assisting or abetting the circumvention or tampering of an ignition interlock device and provides penalties for such actions;
- (3) Provides for a definition of "valid license" and repeals the definition of "highly intoxicated driver";
- (4) Repeals evidence of intoxication parameters for highly intoxicated drivers;
- (5) Specifies that ignition interlock devices be certified by an independent laboratory to meet or exceed the guidelines published by the National Highway Traffic Safety Administration;
- (6) Provides for the annual auditing of the vendor selected for the installation and maintenance of ignition interlock devices by the Department of Transportation (DOT);
- (7) Allows the Director of DOT to require the vendor to pay for all or part of the costs incurred in conducting the audit;
- (8) Requires a respondent to obtain an ignition interlock permit to operate a vehicle during a revocation period if the respondent had a valid driver's license at the time of the arrest;
- (9) Provides for notice of when outstanding motor vehicle number plates must be surrendered and that failure to surrender the plates as required is a misdemeanor offense;
- (10) Eliminates probationary provisions for convicted second and third offenders and provides for the existing practice of "proof of compliance" to be used for all convicted offenders;
- (11) Provides for the loss of the privilege to operate a motor vehicle equipped with an ignition interlock device upon conviction of operating a vehicle after a license has been suspended or revoked for operating a vehicle under the influence of an intoxicant; and
- (12) Repeals the provisions establishing an ignition interlock special fund, surcharges, and funding for the cost of installing and operating ignition interlock devices in the vehicles of persons who are indigent.

The Task Force, DOT, Department of the Prosecuting Attorney, Honolulu Police Department, Mothers Against Drunk Driving HAWAII, and Injury Prevention Advisory Committee testified in support of this bill. The Administrative Driver's License Revocation Office of the Judiciary provided comments.

Over the past several years, Hawaii has had high incidents of alcohol-related traffic fatalities. In 2005, Hawaii had the second highest percentage of alcohol-related traffic fatalities in the nation. In 2006, Hawaii's alcohol-related traffic fatality rate of 52 percent was the highest in the nation. Sadly, this trend appears to be continuing despite efforts to curb this type of behavior since, in 2008, 43 percent of drivers involved in traffic fatalities tested positive for alcohol. While enforcement of existing laws governing the operation of a vehicle under the influence of an intoxicant has had an impact on alcohol-related traffic fatalities, the Legislature determined that more needed to be done to substantially reduce the number of fatalities.

In response to alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 Legislative Session, calling for a working group to be formed to study the issue of ignition interlock devices and make recommendations leading to legislation. As a result, the Task Force was formed and presented its initial recommendations to the Legislature during the Regular Session of 2009. This measure is a continuation of the work of the Task Force for final implementation of the recommendations regarding the ignition interlock device programs.

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, may be one way to stop alcohol-impaired drivers from getting behind the wheel of their vehicles and would be another step toward stopping the senseless tragedies of alcohol-related traffic fatalities.

Your Committee has amended this bill by:

- (1) Inserting language that provides penalties for a second offense of assisting or abetting the circumvention of, or tampering with, an ignition interlock device; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2752, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 60-10 Public Safety on H.B. No. 2150

The purpose of this bill is to deter patrons of prostitutes from becoming repeat offenders by mandating participation in a prostitution offender education program, which illustrates the harm caused to prostitutes by patrons creating a demand for prostitution. In addition, the patron will pay a \$500 surcharge, which will go into a special fund created to administer and run the program.

Crime Victim Compensation Commission, Department of the Prosecuting Attorney of the City and County of Honolulu, and Downtown Neighborhood Board No. 13 testified in support of this bill. The Department of Public Safety and American Civil Liberties Union of Hawaii testified in opposition to this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by adding that the prostitute also participate in an education and counseling program aimed at prevention and pay a \$500 surcharge, which will go into the special fund.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2150, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Souki and Pine.

SCRep. 61-10 Human Services on H.B. No. 1883

The purpose of this bill is to improve services provided to victims of domestic violence by requiring the Department of Human Services (DHS) to report to the Legislature prior to the 2011 Regular Session the following information from January 1, 2007, to June 30, 2010:

- (1) Information relating the process of awarding contracts to nonprofit organizations that provide domestic violence services for victims of domestic violence;
- (2) A listing of contract awardees and contract amounts; and
- (3) The number of victims served and types of services provided by nonprofit organizations.

Several concerned individuals supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1883, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 62-10 Human Services on H.B. No. 1884

The purpose of this bill is to more effectively assist victims of domestic violence by establishing a Domestic Violence Task Force (Task Force) in the Department of Human Services (DHS) to facilitate policy discussions that address domestic violence issues.

A concerned individual supported this bill. DHS, the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, and Domestic Violence Action Center opposed this measure. The Office of Information Practices and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Removing the provision that establishes the Task Force within DHS;
- (2) Establishing the Task Force within the Legislature;
- (3) Amending the composition of the Task Force by:
 - (A) Removing the Director of Human Services, Director of Health, Superintendent of Education, and representative of the family court;
 - (B) Removing three representatives of organizations with experience in domestic violence issues;
 - (C) Including two members of the House of Representatives, one to serve as a co-chair;
 - (D) Including two members of the Senate, one to serve as a co-chair;
 - (E) Including two members who are domestic violence victim advocates, one of whom will be appointed by the Speaker of the House of Representatives and one of whom will be appointed by the Senate President; and
 - (F) Including four representatives of organizations that provide services to victims of domestic violence, two of whom will be appointed by the Speaker of the House of Representatives and two of whom will be appointed by the Senate President;
- (4) Extending the term of the Task Force to June 30, 2012; and
- (5) Changing the effective date to January 1, 2010, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1884, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 63-10 Human Services on H.B. No. 1913

The purpose of this bill is to assist domestic violence victims by making the fear of domestic or sexual violence a good cause for not accepting otherwise suitable, available work while the individual receives unemployment benefits.

The Domestic Violence Action Center and a concerned individual supported this bill. The Prosecuting Attorney of the City and County of Honolulu supported this measure with amendments. The Department of Labor and Industrial Relations (DLIR) provided comments.

Your Committee has amended this bill by:

- (1) Providing that DLIR may consult documentation already provided by domestic violence victims for unemployment benefits to confirm the good cause exemption allowed by this bill;
- (2) Explicitly providing that DLIR may determine, at reasonable intervals, if the victim continues to qualify for the good cause exemption; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1913, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 64-10 Human Services on H.B. No. 2255

The purpose of this bill is to eliminate burdensome and duplicative requirements for providers of home and community-based services by:

- (1) Reducing the number of required fingerprint-based criminal history record checks from two to one; and
- (2) Specifying that subsequent criminal history record inquiries be named-based.

The Hawaii Waiver Providers Association, Goodwill Industries of Hawaii, Inc., The Arc in Hawaii, The Arc of Kona, Catholic Charities Hawaii, The Institute for Family Enrichment, Full Life, and Easter Seals Hawaii testified in support of this bill. The Department of Human Services testified in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2255 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 65-10 Water, Land, & Ocean Resources on H.B. No. 2583

The purpose of this bill is to clarify that the owner of the vessel shall be responsible for all costs and expenses associated with the disposal of an unauthorized vessel impounded by the Department of Land and Natural Resources (DLNR) instead of placing the burden on DLNR.

A concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 66-10 Water, Land, & Ocean Resources on H.B. No. 1775

The purpose of this bill is to strengthen shark protection laws by:

- (1) Prohibiting the importation to the state or possession of shark fins unless the fins were taken from a shark landed whole;
- (2) Establishing a presumption that fins were taken illegally if the fins landed or found on board do not weigh more than five percent of the total weight of the shark carcasses; and
- (3) Applying the prohibition to any vessel that stops to refuel or off-load cargo or otherwise transit through State waters.

The Department of Land and Natural Resources, The Humane Society of the United States, and Hawaii Audubon Society provided comments.

Your Committee has amended this bill by:

- (1) Prohibiting the transshipment of sharks or shark fins harvested illegally;
- (2) Prohibiting the sale, trade, or distribution of shark fins;
- (3) Providing that these prohibitions apply to all vessels fishing outside the territorial waters of the State, provided that the enforcement is not in violation of, or in conflict with, federal law;
- (4) Clarifying that these prohibitions apply to all vessels in transit through the state or State territorial waters, stop to off-load cargo, or refuel in the state or State territorial waters;
- (5) Changing the rebuttable presumption that a shark fin landed from a vessel was taken illegally, from being based on the percentage of the shark fins to the total weight of shark carcasses onboard, to whether the fins were attached to the shark or not; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1775, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 67-10 Water, Land, & Ocean Resources on H.B. No. 2347

The purpose of this bill is to make the renewal process for permits to operate thrill crafts and parasailing businesses consistent with other types of recreational vessel permits by removing the 20-year limit on such permits.

The Ocean Tourism Coalition, X-treme Parasail, Diamond Head Parasail, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) provided comments.

Your Committee has amended this bill by:

- (1) Making the permits renewable annually, provided that the permit holders are in good standing;

- (2) Directing DLNR to offer a permit for public auction if a permit is revoked for failure to meet the conditions for renewal; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2347, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 68-10 Public Safety on H.B. No. 2276

The purpose of this bill is to improve Hawaii's correctional system by requiring:

- (1) A correctional impact statement to be conducted on, and accompany, any legislation that creates a new offense, amends an existing offense, or changes existing sentencing, parole, or probation procedures; and
- (2) The Corrections Population Management Commission to assist in the preparation of a correctional impact statement to assess any impact the legislation will have on the corrections population.

The Community Alliance on Prisons, American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this bill. The Department of Public Safety (PSD) opposed this measure.

Correctional impact statements are tools to give policymakers valuable information to help make informed decisions when deciding to amend or create offenses or to change sentencing, parole, or probation procedures. This will help policymakers determine the impact of sentencing legislation, which may have a tremendous impact on Hawaii's corrections system, prior to its passage. Finding ways of addressing Hawaii's correctional needs, our already overcrowded prison system, and a rising corrections budget without jeopardizing public safety will provide the most benefit to the general public. Your Committee finds that this measure addresses these issues.

You Committee finds that the Sentencing Simulation Model Project (SSMP) was developed pursuant to Act 267, Session Laws of Hawaii 2000, to assist the Corrections Population Management Commission (Commission) in its mission of creating appropriate planning strategies. Under the guidance of the Commission, the overall goal of the SSMP is to provide the Commission with a statewide statistical model inclusive of all aspects of the adult criminal justice system. This SSMP acts as a centralized statewide data repository for this information, accessing it for use in the model, and manipulating it within the simulation framework to project systemic changes brought about by revisions to current policies. As the SSMP has already been developed, it will enable the Commission to assist in the preparation of a correctional impact statement as called for by this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2276 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Saiki, Souki and Pine.

SCRep. 69-10 Public Safety on H.B. No. 1987

The purpose of this bill is to aid in prosecuting the possession and use of illegal fireworks by establishing them as part of nuisance abatement, which would allow for the courts to order the closure or forfeiture of any place used in violation of the fireworks law.

The Department of Labor and Industrial Relations, Kauai Fire Department, Maui Fire Department, Honolulu Police Department, American Lung Association in Hawaii, and several individuals testified in support of this bill. Several individuals supported the intent of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu and the Legislative Information Services of Hawaii provided comments.

Your Committee has amended this bill by

- (1) Moving the forfeiture provisions from section 712A-4, Hawaii Revised Statutes (HRS), to the new part under chapter 132D, HRS; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1987, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Souki and Pine.

SCRep. 70-10 Transportation on H.B. No. 2776

The purpose of this bill is to give a driver whose license has been administratively revoked for life due to multiple convictions of driving under the influence, a chance for relicensing under specific circumstances. Specifically, this bill:

- (1) Permits a driver to seek reinstatement of a license no sooner than ten years after the lifetime revocation was imposed;

- (2) Requires an application for reinstatement of a license to be accompanied by written proof that the individual, within 90 days immediately preceding the application, has been assessed by a certified substance abuse counselor and determined not to be in need of substance abuse treatment due to dependency or abuse; and
- (3) Requires a driver to have had no arrests or convictions for driving while a license is revoked.

Iron Workers Local 625 testified in support of this bill with amendments. The Department of the Attorney General, Department of Transportation, City and County of Honolulu Department of the Prosecuting Attorney, and Mothers Against Drunk Driving opposed this measure. The Judiciary offered comments.

Although there are a large number of traffic fatalities due to alcohol-related accidents each year, your Committee finds that every individual can be reformed and deserves a second chance, especially if the individual has performed meritorious service for over a decade.

Your Committee recognizes the safety concerns that were raised. However, your Committee believes these issues may be addressed through other measures proposing amendments to the ignition interlock law that is still under consideration by the Legislature. Therefore, your Committee believes that this bill merits further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2776 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 71-10 Human Services/Health on H.B. No. 2091

The purpose of this bill is to address problems related to Medicaid processing times by:

- (1) Requiring the Department of Human Services (DHS) to provide presumptive eligibility coverage to individuals waitlisted for Medicaid, upon meeting certain conditions;
- (2) Requiring DHS to submit a report to the Legislature every year beginning with the 2011 Regular Session and ending with the 2015 Regular Session, on its findings and recommendations regarding costs and other issues related to Medicaid presumptive eligibility;
- (3) Requiring DHS to conduct a study of a computerized system for processing Medicaid applications and report its findings prior to the 2011 Regular Session; and
- (4) Appropriating \$200,000 for reimbursements to providers or plans for services provided for individuals who are granted presumptive eligibility but are later determined to be ineligible.

Hawaii Pacific Health, Kaiser Permanente Hawaii, The Queen's Medical Center, Healthcare Association of Hawaii, the Hawaii Disability Rights Center, and a concerned individual supported this bill. DHS offered comments.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2091 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 72-10 Human Services on H.B. No. 2798

The purpose of this bill is to increase the length of term of members of the Commission of Fatherhood from two years to four years to provide for institutional knowledge and continuity. However, no member shall serve on the commission for more than two terms.

The State Commission on Fatherhood and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2798 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 73-10 Human Services on H.B. No. 2158

The purpose of this bill is to address the critical problem of domestic violence in Hawaii by requiring the Department of Human Services (DHS) to develop grant programs by which private, not-for-profit organizations, and public entities administer federal stimulus funds, private foundation grants, and other funds to prevent and respond to domestic violence.

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

Your Committee has amended this bill by:

- (1) Allowing, rather than requiring, DHS to establish the grant programs and the process for awarding grants;

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2158, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 74-10 Human Services on H.B. No. 2796

The purpose of this bill is to ensure that victims of domestic abuse are afforded continuous protection under restraining or protective orders issued by the court, by authorizing a temporary restraining order to remain in effect for 90 days or until service of a protective order, whichever occurs first.

The Honolulu Police Department and Honolulu Department of the Prosecuting Attorney supported this bill. A concerned individual supported this measure with an amendment.

Your Committee finds that a temporary restraining order remains in effect for up to 90 days, but becomes invalid if a protective order is issued by the court during that time. A protective order is not fully effective until it is served on the respondent. Thus, if a petitioner is granted a protective order, and the respondent is proficient at avoiding service, the petitioner is left without legal protection until the protective order can be served. This bill would strengthen legal protections for victims of domestic abuse by removing this loophole in the law.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2796 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 75-10 Human Services on H.B. No. 2250

The purpose of this measure is to enact the Uniform Child Abduction Prevention Act.

Your Committee received testimony in support of the measure from the Commission to Promote Uniform Legislation. Testimony in opposition to the measure was received from AngelGroup and five individuals.

Your Committee finds that the majority of child abductions in the United States are perpetrated by family members. Your Committee believes that this measure will serve as a valuable tool in deterring domestic and international child abductions by parents and people acting on behalf of parents.

Your Committee amended the measure by changing the effective date to January 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2250, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 76-10 Hawaiian Affairs on H.B. No. 1971

The purpose of this bill is to promote farm and home ownership by eligible native Hawaiian beneficiaries on as widespread a basis as possible by providing the Department of Hawaiian Home Lands (DHHL) with a permanent source of funding. Specifically, this bill allocates five percent of all funds derived from the public land trust to DHHL.

The Kanaka Council Moku O Keawe and several concerned individuals testified in support of this bill. The Hawaiian Homes Commission and DHHL supported the intent of this measure. The Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the source of the funds, including that the five percent of the funds derived from the public land trust is not to be taken from the Office of Hawaiian Affairs' pro rata portion;
- (2) Providing a mechanism for the transfer of the funds to DHHL; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1971, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 77-10 Labor & Public Employment on H.B. No. 2473

The purpose of this bill is to address the issue of workplace bullying by making abusive conduct against an employee in the workplace a violation of the occupational safety and health law.

ILWU Local 142; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; United Public Workers, Local 646; and numerous concerned individuals supported this bill. The City and County of Honolulu and The Chamber of Commerce of Hawaii opposed this measure. A concerned individual submitted comments.

Your Committee recognizes that an economic turnaround hinges on productive businesses that can effectively manage operations and execute business plans. Unfortunately, the ability of companies to achieve these goals is compromised when their employees are subject to unhealthy, abusive workplace environments. The physical and psychological harm suffered by such employees can negatively impact job performance and job safety, imposing a substantial burden on businesses.

Your Committee notes that this legislation is important in generating much-needed discussion of an underappreciated problem, in spite of substantive concerns raised by opponents of this measure and technical errors that may be found in this bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2473 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

SCRep. 78-10 Labor & Public Employment on H.B. No. 2101

The purpose of this bill is to improve customer service at state agencies by requiring the Office of the Ombudsman (Ombudsman) to develop and implement a pilot program using informed customers to investigate customer service at state agencies.

The Ombudsman offered comments on this bill.

While most employees and agencies of the State provide good customer service, complaints have been made regarding customer service issues by members of the public when accessing various state services. This "secret shopper" type of pilot program is intended to provide constructive feedback on how well the public is being served by employees and agencies of the State.

The Ombudsman raised concerns that this measure may be too broad which may make it difficult for the Ombudsman to complete this project in a timely manner. Your Committee also acknowledges the Ombudsman's concerns regarding the costs and staff that would be required to implement this measure. However, your Committee believes that this measure is a good start to improving government service in the long term and that it merits further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2101 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Pine.

SCRep. 79-10 Labor & Public Employment on H.B. No. 2637

The purpose of this bill is to ensure that injured workers have access to appropriate care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendations from a board certified or licensed specialist without contest by an insurer or employer.

The Hawaii Injured Workers Alliance, Hawaii Medical Association, ILWU Local 142, and a concerned individual supported this bill. The Hawaii Insurers Council supported this measure with amendments. The Department of Human Resources Development and Department of Labor and Industrial Relations opposed this bill.

The ability to diagnose an injury or illness accurately and expeditiously should be an uncontested right of all licensed physicians, however, that ability is frequently thwarted by payers who undermine a treating doctor's efforts using tactics such as "denial pending investigation," "denial pending an independent medical exam," or simply not responding to a physician's efforts to clarify an injured worker's condition. Although done as a means of "cost control" or "utilization management," these efforts undermine treating physicians' abilities to clarify the patient's condition and efficiently focus available treatments.

Your Committee is aware of concerns raised that without language stipulating that the referral is within occupational medical guidelines and the physician or surgeon has no financial interest in the diagnostic testing, the subspecialty diagnostic evaluator's practice, or the licensed specialist's practice, the system may be subject to abuse. Your Committee feels, however, that this issue warrants further discussion and these concerns may be adequately addressed in subsequent committees, should they choose to hear this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2637 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 80-10 Labor & Public Employment on H.B. No. 2897

The purpose of this bill is to subject a contractor to revocation or suspension of a license for knowingly or intentionally employing a person who is not eligible to work in the United States under federal law to perform work on any project or operation.

The Hawaii Laborers' Union; Hawaii Building & Construction Trades Council, AFL-CIO; and Pacific Resource Partnership supported this bill. The Hawaii Civil Rights Commission and Contractors License Board offered comments.

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

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

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

SCRep. 81-10 Labor & Public Employment on H.B. No. 2102

The purpose of this bill is to promote public safety and facilitate compliance with state law in the building industry by requiring that licensed individuals performing electrical and plumbing work on a construction job site visibly display their license while on the job site.

The Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council, AFL-CIO; International Brotherhood of Electrical Workers, Local Union 1186; Electrical Contractor's Association of Hawaii; Hawaii Electricians Training Fund; and Plumbing & Mechanical Contractors Association of Hawaii testified in support of this bill. The Contractors License Board supported the intent of this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs (DCCA) supported this bill with amendments.

Current Hawaii law requires that individuals practicing in the plumbing and electrical trades pass an examination to be eligible for licensure. This is due to the highly skilled, and at times dangerous, nature of these trades. Current law also requires that at least half of all individuals performing electrical or plumbing work employed on a construction job site by an electrical or plumbing contractor are licensed to practice that particular trade.

However, licensed workers are not required to display their license on their persons while working. Because of this, homeowners, inspectors, and government agencies are having difficulty identifying and distinguishing licensed workers from unlicensed workers. This makes the task of determining compliance with the ratio of licensed to unlicensed tradesmen performing electrical or plumbing work on a construction job site requirement arduous.

Your Committee notes that elevator mechanics are the only additional trade that would be involved in the construction industry that requires licensure. As such, the identification requirements for plumbers and electricians contained in this measure should also be made applicable to these individuals.

Your Committee has amended this bill by:

- (1) Extending the license identification requirement to elevator mechanics;
- (2) Specifying that the license displayed shall be one issued by DCCA;
- (3) Stipulating that any licensed individual not wearing their license at the time of a site inspection will not be counted as a licensee for purposes of determining compliance with the ratio requirements of licensed versus unlicensed individuals on a job site; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2102, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 82-10 Labor & Public Employment on H.B. No. 2636

The purpose of this bill is to authorize the Department of Labor and Industrial Relations to exercise enforcement powers against an employer in a covered establishment to require the employer to adhere to and comply with the notification and penalty provisions of section 394B-9, Hawaii Revised Statutes.

The ILWU Local 142 testified in support of this bill.

Your Committee notes that the 2007 Legislature amended the Dislocated Workers Act to include penalties against an employer for failure to provide notice in the event of a closure, divestiture, partial closing, or relocation of a business. However, to enforce penalties, an aggrieved worker must file a claim in court, subjecting the worker to expense and delays that ultimately serve as a deterrent to seeking the penalties.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2636 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 83-10 Labor & Public Employment on H.B. No. 2858

The purpose of this bill is to clarify issues pertaining to collective bargaining by specifying that a furlough relates to an employee's wages and hours, and constitutes a term and condition of employment that is a core subject of collective bargaining.

The United Public Workers, Local 646, testified in support of this bill. The Office of Collective Bargaining in the Office of the Governor, Judiciary, and City and County of Honolulu Department of Human Resources opposed this measure. The Hawaii Government Employees' Association offered comments.

Your Committee notes that although furloughs were initiated to cope with the ongoing economic crisis, legal challenges were raised against the unilateral establishment of furloughs. Subsequently, the First Circuit Court issued a ruling that since furloughs reduce an employee's hours and wages, furloughs are a mandatory subject of collective bargaining. However, your Committee recognizes that the legal questions regarding furloughs slowed the process tremendously over the last several months, causing undue anxiety and financial worries for those potentially affected by furloughs.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2858 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 84-10 Labor & Public Employment on H.B. No. 1687

The purpose of this bill is to assist employed individuals who become ill or has a family member who becomes ill by, among other things:

- (1) Requiring certain employers to provide paid sick leave to their employees;
- (2) Stipulating when an employee can use paid sick leave and under what conditions an employee can use paid sick leave including allowing employees to take sick leave to care for an ill or injured family member;
- (3) Requiring employers to post information informing employees of their sick leave rights provided under this chapter;
- (4) Requiring employers to maintain sick leave records;
- (5) Prohibiting certain actions against an employee for the use of paid sick leave;
- (6) Establishing the Department of Labor and Industrial Relations (DLIR) as the implementing and enforcement agency for paid sick leave benefits;
- (7) Allowing for collective bargaining agreements that provide for paid sick leave benefits to supersede the sick leave requirements established under this new chapter; and
- (8) Stipulating that the paid sick leave requirements provided by this measure are minimum requirements and do not preclude more generous benefits from being provided.

The Hawaii State AFL-CIO testified in support of this bill. The ILWU Local 142 supported the intent of this measure. The Department of Human Resources Development, DLIR, Society for Human Resource Management-Hawaii Chapter, National Federation of Independent Business, and The Chamber of Commerce of Hawaii testified in opposition to this bill.

The provision of paid sick leave benefits can be a win-win situation for both employers and employees. Employees are being granted a benefit of taking an occasional leave of absence from work for an illness which reduces the financial stress an employee might otherwise face. In return, employers are fostering a positive relationship with their workforce and maintaining happy, healthy, and productive employees. Although many businesses currently offer sick leave benefits as a means of attracting a quality workforce, other businesses do not.

While your Committee notes that the provision of paid sick leave is a benefit and not an entitlement, the potential beneficial impacts this may have warrant further discussion of this issue.

Your Committee has amended this bill by:

- (1) Expanding the limitation placed on the accrual of sick leave benefits by employees of small businesses by specifying that a "small business" is an employer which employs fewer than 50 persons working for compensation during a given week rather than ten persons;
- (2) Changing its effective date to January 1, 2012, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1687, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 85-10 Labor & Public Employment on H.B. No. 2935

The purpose of this bill is to protect employees by making it an unlawful practice for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee uses accrued and available sick leave.

The State of Hawaii Organization of Police Officers; United Public Workers; Hawaii State AFL-CIO; International Brotherhood of Electrical Workers; International Brotherhood of Electrical Workers Local Union 1260; International Brotherhood of Electrical Workers Telephone Local Union 1357; International Longshore and Warehouse Union; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Laborers' Union; and many concerned individuals supported this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Judiciary, Department of Human Resources of the City and County of Honolulu, Hawaiian Telcom, Society for Human Resource Management – Hawaii Chapter, National Federation of Independent Business, Hawaiian Electric Company, First Hawaiian Bank, The Chamber of Commerce of Hawaii, and Hawaii Credit Union League opposed this measure.

Programs such as the Workers' Compensation Program and Temporary Disability Insurance laws were enacted to afford certain protections for ill or injured workers. Your Committee notes, however, that no public policy exists to protect the use of sick leave for illnesses of a non-chronic and short-term nature.

While your Committee has been informed that employees have been disciplined, reprimanded, and suspended from employment for the legitimate use of sick leave, your Committee also recognizes that abuse does occur. It is not the intent of this bill to protect those who abuse an employer's sick leave policy but rather to protect legitimately ill employees who use accrued and available sick leave offered by their employers.

Accordingly, your Committee has amended this bill by clarifying that an employee must legitimately use accrued and available sick leave to be protected by the provisions of this bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 86-10 Labor & Public Employment on H.B. No. 2100

The purpose of this bill is to expand prevailing wage laws by establishing provisions, based on federal Davis-Bacon rights, to protect employees who enter into governmental service contracts.

The Hawaii Teamsters Local 996 supported this bill. The Department of Public Safety; Hawaii Pest Control Association; Bug Man Termite Pest Control, Inc.; Hawaii Alliance of Nonprofit Organizations; and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying work requirements by specifying that the time worked should not exceed 40 hours per week with the same employer, unless overtime compensation is provided; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2100, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 87-10 Labor & Public Employment on H.B. No. 2258

The purpose of this bill is to strengthen families by:

- (1) Creating a Family Leave Insurance Fund (Fund) to receive contributions by employers and employees not exceeding one cent per hour or more than \$2,000 per year per employee, whichever is less; and
- (2) Using the Fund to pay employees benefits for family leave, with benefits not exceeding \$250 per week per employee.

The Hawaii Teamsters Local 996 and United Public Workers, Local 646 supported this bill. The Department of Labor and Industrial Relations and Department of Human Resources Development opposed this measure. The Department of Budget and Finance, ILWU Local 142, and Tax Foundation of Hawaii offered comments.

Your Committee notes concerns that were raised regarding the additional costs to businesses and that the provisions of this measure may not be actuarially viable. Additionally, the Legislature passed a measure requiring data collection on paid family leave (House Bill No. 982, enacted as Act 7, Special Session Laws of Hawaii 2009), but the funds to implement that measure were not released.

Your Committee has amended this bill by:

- (1) Clarifying that only employers and employees covered under Chapter 398, Hawaii Revised Statutes, Family Leave, must contribute to the Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 88-10 Labor & Public Employment on H.B. No. 1904

The purpose of this bill is to address the unfunded accrued liability of the Employees' Retirement System (ERS) by setting aside annually, a sum from the general excise tax (GET) revenues sufficient to amortize the unfunded accrued liability for state employees.

The Department of Taxation testified in opposition to this bill. The Department of Budget and Finance, ERS Board of Trustees, and Tax Foundation of Hawaii provided comments.

Currently, the unfunded liability of the ERS is approximately \$5.1 billion. Paying down this unfunded liability would be a worthwhile endeavor. While your Committee understands the concerns raised regarding the impacts the setting aside of GET revenues for a specific purpose may have on general fund revenues, this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 89-10 Human Services on H.B. No. 745

The purpose of this bill is to effectuate its title.

H.B. No. 745 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out H.B. No. 745, as amended herein, and recommends that it be recommitted to the Committee on Human Services, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 745, H.D. 1.

Signed by all members of the Committee except Representative Bertram.

SCRep. 90-10 Water, Land, & Ocean Resources on S.B. No. 1311

The purpose of this bill is to allow the University of Hawaii (UH) to more effectively study and protect the natural resources of the Hawaii Marine Laboratory Refuge (Refuge) by:

- (1) Permitting UH to use staff in addition to the land, buildings, apparatus, and appliances of the Department of Land and Natural Resources (DLNR) for the biological laboratory; and
- (2) Exempting UH from any law that requires a permit or application to carry out repair and maintenance of the Refuge.

UH at Manoa testified in support of this bill. A concerned individual opposed this measure. DLNR offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2010. As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1311, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Luke.
(Representative Thielen voted no.)

SCRep. 91-10 Transportation on H.B. No. 2297

The purpose of this bill is to allow for the installation of transparent window sun screening devices on a vehicle's windshield that will reduce heat and protect a vehicle's interior without jeopardizing public safety.

The Hawaii Business League and T&T Tinting Specialists, Inc., testified in support of this bill. K&Y Auto Service testified in opposition to this measure. The Department of Customer Services (DCS) of the City and County of Honolulu provided comments.

When the current law in Hawaii regarding the installation of sun screening devices (more commonly known as window tint) on the windows of motor vehicles was enacted, it provided that only the upper four inches of the front windshield could be tinted. This was considered a safety measure for law enforcement and also a means of preserving visibility for the driver. Since that time, however, new technology has been developed that includes a clear window film which screens out 50 percent of the heat but does not reduce light transmittance. Therefore, allowing for installation of this clear "tint" will not affect public safety.

However, your Committee understands the concerns raised by DCS that as currently written, the exemption may be misinterpreted and applied to the sun-screening materials itself rather than when it is applied to the vehicle. Accordingly, your Committee has amended this bill by clarifying that the exemption for the installation of transparent window sun screening devices on a vehicles windshield applies to transparent sun screening materials that meet the requirements of the Federal Motor Vehicle Safety Standard 205 when applied to the AS-1 portion of the windshield.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2297, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 92-10 Consumer Protection & Commerce on H.B. No. 2354

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

- (1) Requiring cooperation with insurance fraud investigations conducted by the Department of Commerce and Consumer Affairs (DCCA); and
- (2) Barring proceeds or restitution resulting from DCCA investigations and prosecutions to those who fail to cooperate.

DCCA, the Hawaii Medical Service Association, and the American Council of Life Insurers testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 93-10 Health on H.B. No. 2829

The purpose of this bill is to ensure the safety of people receiving care in health care facilities by requiring hospitals to report infection rates and to establish procedures for collecting information on the number of infections developed within an individual facility and disclosing it to the public.

The Consumers Union testified in support of this bill. Hawaii Medical Service Association supported the intent of this measure. The Department of Health and Healthcare Association of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2829 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 94-10 Education on H.B. No. 2075

The purpose of this bill is to allow the Early Learning Council (ELC) to conduct meetings by teleconference, and provide for quorum, public notice, voting, participation, and other requirements for such meetings.

The Department of Education, Department of Human Services, ELC, Good Beginnings Alliance, and Hawaii Association of Independent Schools testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2075 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 95-10 Education on H.B. No. 2073

The purpose of this bill is to authorize the Department of Education (DOE) to adopt rules and assess fees for parking on roadways and in parking areas under its jurisdiction.

DOE supported this bill.

Your Committee has amended this bill by:

- (1) Exempting parking for school-related functions and activities from fees; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2073, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 96-10 Agriculture on H.B. No. 2393

The purpose of this bill is to establish an Agricultural Product Processing Program to encourage the development of agricultural-product processing activities in the state, adding value to agricultural products grown or produced in Hawaii.

The Hawaii Farm Bureau Federation testified in support of this bill. The Department of Agriculture and Department of Budget and Finance opposed this measure.

Several members of your Committee expressed some concerns about creating a new program at this time because core programs need to be supported first and also noted that passing the bill on to the Committee on Finance for their consideration is a good idea so that they can review the already existing Enterprise Zone programs.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 20, 2020, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2393, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2447

The purpose of this bill is to ensure that the Department of Business, Economic Development, and Tourism (DBEDT) is fiscally accountable by requiring the Auditor to conduct a management and financial audit of DBEDT's out-of-state offices at least every two years.

DBEDT supported the intent of this bill.

Your Committee finds that DBEDT's overseas offices in Taipei and Beijing provide a vital link to the rapidly growing economies of Greater China and play a key role in shaping the future of Hawaii's economy. This bill will provide the financial accountability that is also essential during these difficult economic times.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2447 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Tokioka.
(Representative Wardvoted no.)

SCRep. 98-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2351

The purpose of this bill is to preserve the integrity of the special license plates available to veterans of military service by requiring that applicants for the special veterans license plates include a copy of their most recent discharge paper or separation document that indicates an honorable or general discharge from active duty.

The Office of Veterans Services and Oahu Veterans Council testified in support of this bill.

Veteran license plates identify individuals who have served this country. It is a small symbol of the gratitude of the general public for their honorable service. Individuals with a less than honorable discharge should not be afforded this recognition, a recognition they can receive under current statute. Your Committee finds that this measure addresses this issue.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2351 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 99-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1965

The purpose of this bill is to protect purchasers of undeveloped land as well as historic sites on that land by requiring that prior to the sale or long-term lease of undeveloped property:

- (1) An archaeological inventory survey must be performed and accepted by the State Historic Preservation Officer; and
- (2) Notice of any sites that are eligible for the Hawaii Registry of Historic Places and found on the property must be filed with the Bureau of Conveyances.

The Society for Hawaiian Archaeology supported this bill. The Department of Land and Natural Resources, and Hawai'i Association of REALTORS opposed this measure. Historic Hawai'i Foundation provided comments.

Currently, there is no mechanism to give potential purchasers of undeveloped land notice of any historic property on the site that may prevent them from using or developing the land. Thus, property purchased for development could potentially become useless for that purpose. This negatively affects investors' willingness to participate in developments located in Hawaii, and is an issue of particular concern during this economic downturn.

Although the bill establishes procedures to resolve the problem, there are questions as to whether these procedures would be cost prohibitive for small landowners. There must be a discussion of alternatives to a professional archaeologist, and of other ways to minimize costs. Your Committee believes that the best solutions to this problem will be developed if the Kupuna Council, State Historic Preservation Division, and Hawai'i Association of REALTORS work cooperatively. Your Committee respectfully requests the Committee on Water, Land, and Ocean Resources to which this measure is next referred, to facilitate the development of a solution to these issues.

Your Committee finds that given our economy, any increase in funding for the activities of the State Historic Preservation Division is unlikely. Accordingly, your Committee has amended this bill by:

- (1) Providing that the archaeological inventory survey is to be received, instead of "accepted" by the State Historic Preservation Officer;
- (2) Changing the effective date of the bill to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1965, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 100-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1942

The purpose of this bill is to help address prison overcrowding by establishing a temporary Veterans Court at the State Circuit Court level.

The Office of Veterans Services, Oahu Veterans Council, Mental Health America of Hawaii, theStrategist, and several concerned individuals supported this bill. The Judiciary opposed this measure.

Your Committee notes that federal funds are available to pay for positions and other costs for a Veterans Court. According to testimony, there is an estimated \$10,000 in savings per convicted offender in other states. Your Committee believes this warrants further discussion and may save the State money in the long run.

Your Committee has amended this bill by:

- (1) Removing the appropriation section;
- (2) Expanding the scope of the definition of "veteran"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 101-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2185

The purpose of this bill is to ensure that military residents who have been deployed out-of-state are provided with an opportunity to vote in Hawaii's elections by rescheduling the primary election to an earlier date to provide adequate time to deliver absentee ballots to deployed military voters by the date specified in the federal Military and Overseas Voter Empowerment (MOVE) Act.

The Department of Defense and The League of Women Voters of Hawaii supported this bill. The Office of Veteran Services supported the intent of this measure. The Office of Elections submitted comments.

Your Committee finds that this bill, in conjunction with H.B. No. 1899, as amended, will give our country's deployed military personnel adequate time to participate in the democratic process they fight to preserve and protect by allowing them to receive mail-in ballots no later than 45 days before the election.

Your Committee has amended this bill by:

- (1) Requiring that the primary and general elections in Hawaii are never less than 70 days apart;
- (2) Changing the effective date to November 3, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2185, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 102-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 424

The purpose of this bill is to reduce Hawaii's dependence on fossil fuels by making seawater air conditioning district cooling systems eligible for tax and regulatory incentives under the Enterprise Zone (EZ) Program.

Honolulu Seawater Air Conditioning, LLC, supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation opposed this bill. Tax Foundation of Hawaii submitted comments.

Your Committee finds that currently, businesses producing electricity from wind power are the only renewable energy producers eligible for EZ benefits. Adding seawater air conditioning district cooling systems to the EZ Program is consistent with the State's efforts to develop Hawaii's renewable energy resources.

However, your Committee also recognizes that making EZ benefits available only to certain types of businesses raises questions as to whether this preferential treatment is justified.

Upon consideration, your Committee has amended this bill by replacing its substance with that of Senate Bill No. 242, H.D. 2. Your Committee further amended this measure to include applicable 2009 amendments to the Hawaii Revised Statutes.

As amended, this bill differs from H.B. No. 424 in that it:

- (1) Provides that the EZ general excise tax exemption for a contractor's gross proceeds from construction of an EZ business, does not apply to seawater air conditioning district cooling systems;
- (2) Changes the effective date to January 1, 2112; and
- (3) Contains technical, nonsubstantive differences.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 103-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2381

The purpose of this bill is to stimulate Hawaii's economy by establishing a tax credit for residential construction and remodeling.

The Hawaii Association of REALTORS, Building Industry Association of Hawaii, and Subcontractors Association of Hawaii testified in support of this bill. The Department of Taxation (DoTAX) and Tax Foundation of Hawaii submitted comments.

Your Committee notes that the absence of DoTAX from the hearing of this measure made it difficult for members to evaluate and respond to the department's written testimony. Your Committee hopes that in the future, the department will see fit to send a representative who is well-prepared to advise the Committee on this, and other measures that impact the State's revenue base.

While recognizing that this measure does raise some degree of fiscal concerns, your Committee also notes that the tax credit is a recommendation of the Construction Industry Tax Force, which was established by Senate Concurrent Resolution No. 132, S.D. 1, 2009, to develop and propose state actions to preserve and create new construction jobs. Given the 52 percent of construction workers on the bench during this economic downturn, your Committee believes that further, informed consideration of the costs and benefits of this measure is warranted.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2381, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 104-10 Energy & Environmental Protection/Housing on H.B. No. 2520

The purpose of this bill is to promote the use of solar energy in the state by requiring all new single-family dwellings constructed on or after January 1, 2012, to include photovoltaic ready design elements that provide for future photovoltaic accommodation.

The Department of Business, Economic Development, and Tourism; Sierra Club–Hawaii Chapter; and Hawaii Solar Energy Association supported this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Blue Planet Foundation supported this bill with suggested amendments. The Building Industry Association and The Chamber of Commerce of Hawaii opposed this measure.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2520 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 105-10 Energy & Environmental Protection on H.B. No. 2631

The purpose of this bill is to promote energy planning, policy development, and energy emergency preparedness and response for the state by:

- (1) Establishing the Energy Industry Monitoring and Analysis Program within the Department of Business, Economic Development, and Tourism (DBEDT) to directly collect relevant, accurate, and sufficient energy data and information; and
- (2) Establishing the Energy Industry Monitoring and Analysis Special Fund.

This bill also suspends portions of the Petroleum Industry Information Reporting Act that requires the reporting of certain information to the Public Utilities Commission (PUC), that by this bill will be reported to DBEDT.

The Department of Budget and Finance opposed this bill. PUC and the Western States Petroleum Association provided comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2631 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 106-10 Health on H.B. No. 2080

The purpose of this bill is to expedite proper patient care in emergency situations by requiring the examiner of drivers to design and implement a system requesting applicants for driver's licenses or license renewals for their blood type so that it may be imprinted on the license.

A concerned individual supported this measure.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2080, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Carroll.

SCRep. 107-10 Health on H.B. No. 2574

The purpose of this bill is to clarify the state's authority to issue placards for parking for the disabled and to reduce costs associated with the issuance of the placards by, among other things:

- (1) Establishing the Disability and Communication Access Board (DCAB) as the issuing agency that authorizes the issuance of removable windshield placards, temporary removable windshield placards, special license plates, and identification cards; and
- (2) Extending the period of validity of the removable windshield placard from four to six years.

The Department of Health and a concerned individual supported this bill. The State Council on Developmental Disabilities and a concerned individual supported the intent of this measure. The City and County of Honolulu opposed this bill in part. A concerned individual submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2574, H.D. 1, and be referred to the Committee on Transportation.

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

SCRep. 108-10 Health on H.B. No. 2205

The purpose of this bill is to ensure quality health care by requiring state-licensed nurses to complete 15 hours of continuing education during each two-year license period to renew a state license.

The School of Nursing and Dental Hygiene at the University of Hawaii, Manoa and several concerned individuals testified in support of this bill. Kaiser Permanente and the Hawaii Government Employees Association supported the intent of this measure. The Board of Nursing opposed this bill.

Your Committee has amended this bill by:

- (1) Applying the requirement to licenses that must be renewed by June 30, 2013 and after;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2205, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

SCRep. 109-10 Health on H.B. No. 2939

The purpose of this bill is to assist those preparing for the possible need for assistance as they age by requiring the Long Term Care Commission (Commission) established by Act 224, Session Laws of Hawaii 2008, to review the feasibility of establishing a long term care insurance fund (Fund) to assist residents who would otherwise not qualify for any government or private long term care insurance program.

The Department of Taxation, Hawaii Restaurant Association, and a concerned individual opposed this measure. AARP – Hawaii and the Chairperson of the Commission provided comments.

Your Committee has amended this bill by:

- (1) Deleting language related to any increase in the general excise tax on food and drug products to provide financing for the Fund;
- (2) Requiring the Commission to develop recommendations for funding mechanisms for the Fund; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2939, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 110-10 Health on H.B. No. 2086

The purpose of this bill is to improve health care outcomes and better control costs by enabling the sharing of necessary medical information while complying with federal privacy standards. Specifically, this bill allows authorized health care entities to use clinical laboratory test results to populate personal health records or electronic medical records.

The Hawaii Association of Health Plans, Hawaii Medical Association, and Hawaii Medical Service Association all testified in support of this bill. The Hawaii Health Information Exchange and Diagnostic Laboratory Services, Inc., supported the intent of this measure. The Department of Health opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2086, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

SCRep. 111-10 Health on H.B. No. 2573

The purpose of this bill is to decrease the number of pretrial defendants hospitalized for fitness restoration by amending the law governing the time frames for fitness restoration for persons charged with non-violent petty misdemeanors and for persons charged with non-violent misdemeanors to specify a specific number of days for fitness restoration.

The Department of Health supported this bill. The City and County of Honolulu's (C&C of Honolulu) Department of the Prosecuting Attorney opposed this measure.

Your Committee acknowledges the concerns provided in testimony presented by the C&C of Honolulu's Prosecuting Attorney regarding language in this bill that appears to conflict and remove the court's authority to release on conditions where the defendant is unfit to proceed before the expiration of the commitment. The Prosecuting Attorney also expressed concern over the lack of clarity in the bill's language regarding a petty misdemeanor involving violence or attempted violence i.e. is it defined by the elements of the offense or by the actual facts in a particular case? Therefore, your Committee respectfully requests that your Committee on the Judiciary take a closer look at these issues if they so choose to schedule this bill for a hearing.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2573, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 112-10 Health on H.B. No. 1932

The purpose of this bill is to protect consumers of fish purchased in local markets by providing penalties for those whose mislabeling of fish causes the consumer to become ill.

The Hawaii Teamsters and Allied Workers, Local 996 supported this bill. The Department of Health (DOH) and the Department of Budget and Finance opposed this measure.

Your Committee finds that instances have occurred when improper labeling of fish products have left consumers unaware that the type of fish being eaten may cause illness if eaten in certain quantities. This bill does not intend to increase the workload on DOH food inspectors, but only seeks to provide DOH with additional powers to address the misbranding of fish products. Currently, if an inspector receives a complaint, an investigation may be initiated. This bill allows fines to be imposed on a person who is found to have placed incorrect information on a fish product. This bill would also allow DOH to increase its revenues as the funds collected would be placed into a Food Misbranding Special Fund administered by DOH.

Your Committee has amended this bill by:

- (1) Requiring that confirmation of illness be made by a physician licensed under Chapter 453, Hawaii Revised Statutes;
- (2) Providing DOH with discretionary powers to determine whether a fine is warranted if a misbranding violation is confirmed;
- (3) Changing the fines for misbranding fish products to unspecified amounts; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1932, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 113-10 Health on H.B. No. 2723

The purpose of this bill is to work toward ensuring the safety of persons with severe allergies to certain foods and associated anaphylaxis at restaurants by expanding the Food Safety Consultative and Education Program under the Department of Health (DOH) to:

- (1) Require the display of a food allergy awareness poster in staff areas of restaurants and other food purveyors that employ foodhandlers;
- (2) Require restaurant menus to include language notifying customers that it is the customer's obligation to inform their server about any food allergies;
- (3) Require DOH to develop a program to designate food allergy friendly restaurants that provide notification of ingredients in their foods and maintain a listing of those restaurants; and
- (4) Require certified food protection manager examinations to include questions on food allergies as they relate to food preparation.

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

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2723, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

SCRep. 114-10 Energy & Environmental Protection/Housing on H.B. No. 2792

The purpose of this bill is to continue to work towards securing Hawaii's energy future by clarifying and strengthening the law governing the installation of solar energy devices on homes. Specifically, this measure requires any association of homeowners, community association, condominium association, cooperative, or any other non-governmental entity with covenants, bylaws, and administrative provisions with which the homeowner's compliance is required, to adopt rules that provide for the placement of solar energy devices by December 31, 2010 and prohibit these entities from adopting rules that:

- (1) Render a solar device more than 25 percent less efficient;
- (2) Increases the cost of installation, maintenance, or removal of the solar device by more than 15 percent; and
- (3) Require an encumbrance on title because of the placement of the solar device.

The Sierra Club-Hawaii Chapter and the Hawaii Solar Energy Association testified in support of this bill.

Your Committee has amended this bill by clarifying that the rules adopted cannot:

- (1) Impose conditions or restrictions that render the device more than 25 percent less efficient; or
- (2) Increase the cost of installation, maintenance, and removal of the device, inclusive, by more than 15 percent.

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2792, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2792, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 115-10 Human Services on H.B. No. 2149

The purpose of this bill is to require the Department of Human Services (DHS) to provide written notice to a client when transferring the client from one case worker to another, including an explanation of the transfer.

DHS opposed this bill.

Your Committee has amended this bill by:

- (1) Removing language requiring DHS to provide an explanation of the reason for the transfer in the written notification;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2149, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 116-10 Human Services on H.B. No. 2804

The purpose of this bill is to require the Child Enforcement Agency (Agency) to receive and investigate complaints of misused child support payments, including from the child for whom the support order is issued or an appointed guardian ad litem.

A concerned individual supported this bill with amendments. The Attorney General (AG) and a concerned individual opposed this measure.

Your Committee acknowledges that several concerns were raised by the AG and a concerned individual regarding this bill. These concerns included:

- (1) Allowing a child to file a complaint may negatively affect a family's authority structure, as well as strain both parent-child and post-divorce relationships;
- (2) The definition of "misuse of child support" is broad and inaccurate given that orders of support do not stipulate what the support is to be used for;
- (3) There are no provisions addressing what should be done in the event that claims of child support misuse are substantiated;
- (4) The Agency is not the appropriate entity to investigate claims of child support misuse, particularly because this function is not authorized under its current funding formula; and
- (5) Holding child support payments for the duration of an investigation is contrary to state and federal law.

Your Committee feels, however, that the issue of child support payment misuse warrants further discussion.

Accordingly, your Committee has amended this bill by:

- (1) Removing the requirement that child support payments be held in trust during the course of any investigation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2804, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 117-10 Energy & Environmental Protection on H.B. No. 2497

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to Carbon Bio-Engineers, Inc., for the development of non-fossil fuel energy production.

Carbon Bio-Engineers, Inc.; Waimea Hawaiian Homesteaders' Association, Inc.; TN Design Associates, AIA, Inc.; Hawaii Building and Construction Trades Council, AFL-CIO; and Pacific Crane & Equipment, Inc., testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2497 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Har, Ito and Luke.

SCRep. 118-10 Tourism, Culture, & International Affairs on H.B. No. 340

The purpose of this bill is to effectuate its title.

H.B. No. 340 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 340, as amended herein, and recommends that it be recommitted to the Committee on Tourism, Culture, & International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 340, H.D. 1.

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

SCRep. 119-10 Education on H.B. No. 1853

The purpose of this bill is to make statutory requirements for food available at public schools consistent with state wellness guidelines and administrative practice by:

- (1) Prohibiting the sale of ice cream and candy by public schools, unless permitted in writing from the Department of Education (DOE); and
- (2) Removing the requirement that the Comptroller advise DOE in the adoption of rules for the section.

DOE supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1853 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Bertram.

SCRep. 120-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1900

The purpose of this bill is to enable the State to process military personnel actions in a timely manner by recognizing the designations of prisoner of war and missing in action as valid descriptions of casualty status and category classification.

The Chamber of Commerce of Hawaii and Oahu Veterans Council testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1900 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 121-10 Transportation on H.B. No. 2679

The purpose of this bill is to include electric motor bicycles in the definition of "bicycle" for purposes of county vehicular taxes and the statewide traffic code, and specify bicycles that may be transported on public buses.

Several concerned individuals testified in support of this bill. The Department of Transportation and Department of Transportation Services of the City and County of Honolulu opposed this measure. The Department of Customer Services of the City and County of Honolulu provided comments.

Your Committee finds that bicycles are an excellent alternative mode of transportation that have little or no adverse effects on the environment and help reduce our dependency on petroleum. In addition, commuting by bicycle can not only improve a bicyclist's quality of life but helps others by taking one car off the road for each bicyclist.

Your Committee has concerns about the definition of "bicycle" as amended in this bill and requests that the Committee on Judiciary consider amending it further.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2679 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 122-10 Transportation on H.B. No. 2404

The purpose of this bill is to make permanent the statutory requirements for provisional driver's licenses for persons between ages 16 and 18, including, among other things, conditions under which:

- (1) A provisional driver is authorized to transport passengers under the age of 18;
- (2) A licensed parent or guardian must occupy the passenger seat; and
- (3) The provisional driver may drive to and from a place of employment or a school-authorized activity between 11:00am and 5:00pm without a licensed parent or guardian.

The Department of Transportation (DOT), City and County of Honolulu, Mothers Against Drunk Driving Hawaii, and State Farm Mutual Automobile Insurance Company testified in support of this bill.

Research, studies, and statistics show that young, novice drivers have an extremely high crash risk with factors such as inexperience and immaturity being major contributors. This is especially true at night. According to DOT, since Act 72, Session Laws of Hawaii 2005, went into effect, requiring provisional driver's licenses for persons under the age of 18, the number of crashes involving 16 year olds decreased 27 percent (66 fewer crashes). For 17 year olds, the number of crashes decreased 14 percent (52 fewer crashes). Restrictions imposed for driving between 11:00 p.m. and 5:00 a.m. have resulted in 19 fewer crashes at night involving 16 and 17 year olds each year.

Most importantly, there has been a 60 percent reduction in the number of deaths among teens as a result of traffic collisions:

- (1) For 16 year olds, from five down to two deaths; and
- (2) For 17 year olds, from ten down to four deaths.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2404 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 123-10 Transportation on H.B. No. 2225

The purpose of this bill is to increase motor vehicle safety by prohibiting the use of mobile electronic devices while operating a motor vehicle with certain exceptions.

The Department of Transportation, Honolulu Police Department, Hawaii Transportation Association, American Radio Relay League, and numerous concerned individuals testified in support of this bill. The Hawaii Automobile Dealers Association and a concerned individual supported the intent of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu, AT&T, and a concerned individual provided comments.

According to the National Highway Traffic Safety Administration, distracted driving is a major contributor to vehicular crashes and near misses, and distracted drivers are 50 percent more likely to be seriously injured or killed in their crashes when compared to attentive drivers. In addition, data has shown that 80 percent of all crashes and 65 percent of near crashes involved some type of driver distraction. More sobering is the fact that in 2008, 16 percent of the total traffic fatalities in the United States accounting for some 5,870 deaths nationwide, involved some type of driver distraction.

The use of mobile electronic devices including cellular phones, personal digital assistants, laptop computers, paging devices, and other similar devices while operating a motor vehicle can be a major cause of distraction leading to a motor vehicle collision. Collisions due to the use of these types of devices could be avoided and personal injury and property damage eliminated if regulations existed to restrict their use while operating a motor vehicle.

Your Committee has amended this bill by:

- (1) Clarifying that drivers who are exempt from the prohibition because they are using two-way radios while in the performance or scope of their work-related duties are also operating fleet vehicles or have a commercial vehicle license;

- (2) Including electronic equipment of capable of providing wireless audio or video communications between two or more persons under the definition of "mobile electronic device";
- (3) Providing a system of graduated penalties for violations;
- (4) Changing the effective date to July 1, 2010; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2225, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 124-10 Agriculture on H.B. No. 2083

The purpose of this bill is to ensure the safe consumption of milk products by requiring that any beverage product containing an unspecified percent by weight of milk or soy milk and distributed or offered for sale in Hawaii will be labeled with the date that the contents were:

- (1) Pasteurized; or
- (2) Packaged for distribution or sale, if no portion of the beverage product has been pasteurized.

The Hawaii Teamsters and Allied Workers, Local 996 supported this bill. The Department of Health, Retail Merchants of Hawaii, The Pepsi Bottling Group of Hawaii, and a concerned individual opposed this measure. The Department of Agriculture submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 20, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2083, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 125-10 Higher Education on H.B. No. 2921

The purpose of this bill is to maintain a level of skill, abilities, and competencies recognized within the electrical industry by revising the minimum requirements for licensure of electricians.

The Hawaii Electricians Training Fund testified in support of this bill. The University of Hawaii (UH) Community Colleges and Board of Electricians and Plumbers offered comments.

Your Committee has amended this bill by:

- (1) Requiring the acceptance of satisfactory completion of electrical academic coursework by a UH community college, rather than specifically Honolulu Community College, as a qualification for the licensure of journey worker electricians, journey worker specialty electricians, maintenance electricians, and journey worker industrial electricians; and
- (2) Changing the effective date to July 1, 2013, to ensure that applicants have ample time to complete the academic requirements established by this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2921, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Manahan, Rhoads and Pine.

SCRep. 126-10 Water, Land, & Ocean Resources on H.B. No. 1953

The purpose of this bill is to help accommodate land development and population growth resulting from land use plans and policies by funding infrastructure projects through the imposition of a general excise tax of 1 percent on the gross proceeds from the sale of certain real property less specified deductions.

The Department of Taxation, Hawaii Association of REALTORS, and Land Use Research Foundation of Hawaii opposed this bill. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1953 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 127-10 Water, Land, & Ocean Resources on H.B. No. 2171

The purpose of this bill is to enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property to determine real property tax assessments by requiring the Director of Taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the Bureau of Conveyances.

The County of Hawaii; City and County of Honolulu; and County of Maui, Real Property Tax Division, testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2171 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 128-10 Water, Land, & Ocean Resources on H.B. No. 2833

The purpose of this bill is to allow the Board of Land and Natural Resources (Board) to extend the rental period of a lease of public lands for hotel or resort use for up to 55 years upon approval by the Board of a development agreement proposed by the lessee, or the lessee and a developer, to make substantial improvements to the premises.

The Hawaii Tourism Authority, Mayor of the County of Hawaii, and a concerned individual supported this bill. The Department of Land and Natural Resources opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2833 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 129-10 Water, Land, & Ocean Resources on H.B. No. 2389

The purpose of this bill is to protect water safety officers from being physically attacked while performing their duties. This bill makes it a class C felony for assaulting water safety officers.

The Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO, and a concerned individual testified in support of this measure. The City and County of Honolulu Emergency Services Department and the Hawaiian Lifeguard Association supported the intent of this bill. The Community Alliance on Prisons offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2389 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 130-10 Water, Land, & Ocean Resources on H.B. No. 2904

The purpose of this bill is to prohibit the use of county general and development plans to serve as, or replace county regulatory process.

The Land Use Research Foundation of Hawaii, Maui Contractors Association, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2904 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chong and Sagum.
(Representatives Luke and Morita voted no.)

SCRep. 131-10 Transportation/Water, Land, & Ocean Resources on H.B. No. 2298

The purpose of this bill is to require the Department of Transportation (DOT) to allow vessels with a use permit for Kewalo Basin and whose payments due to the State are current, to moor at Honolulu Harbor:

- (1) During inclement weather or ocean conditions that cause Kewalo Basin to be shut down; or
- (2) To unload the owner's or operator's catch of fish to a business operating within Honolulu Harbor or otherwise conduct business within Honolulu Harbor.

The Ocean Tourism Coalition and a concerned individual testified in support of this measure. DOT provided comments.

Sometimes harbor conditions at Kewalo Basin necessitate a ship's captain to make the determination to divert the vessel for safety reasons and proceed into Honolulu Harbor. However, not all vessels are authorized to enter these harbors without first obtaining permission from harbor personnel. As such, Act 79, Session Laws of Hawaii 2008 (Act 79) was enacted to address this issue and allow for captains to make decisions to divert to a safer harbor more rapidly.

However, some concerns have been raised that under the conditions set forth in Act 79, Kewalo Basin must be closed before ships can proceed into Honolulu Harbor. According to some captains, this presents a problem because conditions may exist which do not warrant closure of Kewalo Basin but, in the view of the captain, would present a comfort and safety issue for the ship's passengers.

Accordingly, your Committees have amended this measure by allowing the owner or operator of a commercial passenger vessel with a use permit for Kewalo Basin to make a determination as to when to enter Honolulu Harbor due to ocean conditions or inclement weather rather than requiring Kewalo Basin to be closed for entrance to Honolulu Harbor to be granted; provided that the vessel shall leave Honolulu Harbor once the inclement weather or ocean conditions improve allowing for safe and comfortable entrance into Kewalo Basin.

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

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2298, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2298, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Coffman, Morita, Saiki and Takumi.

SCRep. 132-10 Energy & Environmental Protection/Housing on H.B. No. 2521

The purpose of this measure is require the adoption of "net zero energy capable design" in new single-family residential construction by January 1, 2015.

Specifically, net zero energy capable design refers to single-family shelter units that are sufficiently energy efficient that it is less expensive to generate on-site renewable energy than it is to further increase the energy efficiency of the unit.

Your Committees find that this approach is one of a multitude of paths to reach our Hawaii Clean Energy Initiative goal of seventy per cent clean energy by 2030.

Your Committees received testimony on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees have amended this measure by:

- (1) Clarifying that the definition of "net zero energy capable design" means a structure that is thirty-five per cent more efficient based upon performance-based design or prescription-based design;
- (2) Requiring the State Building Code Council to complete prescription-based design provisions by January 1, 2012; and
- (3) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2521, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2521, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 133-10 Hawaiian Affairs on H.B. No. 2676

The purpose of this bill is to better facilitate the Kaho'olawe Island Reserve Commission's (KIRC) ability to carry out its statutory duties to protect, preserve, and rehabilitate the Island of Kaho'olawe by providing an exemption from the state procurement code for contracts made by KIRC for the procurement of food or fuel products.

KIRC and the Association of Hawaiian Civic Clubs supported this bill. The State Procurement Office opposed this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2676 and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

SCRep. 134-10 Hawaiian Affairs on H.B. No. 2673

The purpose of this bill is to continue the work of the Taro Security and Purity Task Force (Task Force) by:

- (1) Extending the final report deadline to no later than 20 days prior to the convening of the 2012 Regular Session; and
- (2) Appropriating funds for the Task Force to be matched by the Office of Hawaiian Affairs (OHA).

The Association of Hawaiian Civic Clubs and a concerned individual supported this bill. OHA supported the intent of this measure. Hawaii Farm Bureau Federation opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2673, H.D. 1, and be referred to the Committee on Agriculture.

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

SCRep. 135-10 Hawaiian Affairs on H.B. No. 2759

The purpose of this bill is to provide the Department of Hawaiian Homes Lands (DHHL) with a permanent source of revenue to satisfy its obligation to its Native Hawaiian beneficiaries by authorizing the Hawaiian Homes Commission (HHC) to allow casino gaming operations on Hawaiian Home Lands. This bill would also establish the Hawaii Gaming Commission within the Department of Commerce and Consumer Affairs to regulate these authorized casino gaming operations.

The Kanaka Council Moku O Keawe and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs, HHC, DHHL, Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Church of Jesus Christ of Latter-Day Saints, Hawaii Coalition Against Legalized Gambling, Hawaii Family Forum, and a concerned individual opposed this measure. The Waimea Hawaiian Homesteaders' Association, Inc. and a concerned individual provided comments.

Your Committee wishes to clarify that its intent in advancing this measure is not to force casinos upon the beneficiaries, but to provide DHHL with a mechanism to consult its beneficiaries on the beneficiaries' sentiments on allowing casinos in their communities.

Your Committee has amended this bill by:

- (1) Changing the criteria for licensure as a casino gaming operation from the highest bid to the bid that would provide the most appropriate or suitable operation to meet the needs of the community;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2759, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Brower, Nishimoto and Yamane.
(Representative Ward voted no.)

SCRep. 136-10 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 2672

The purpose of this bill is to allow the State to most effectively and responsibly make progress toward meeting part of its constitutional obligation to native Hawaiians by resolving claims and disputes relating to the portion of income and proceeds from the lands of the public land trust for use by the Office of Hawaiian Affairs (OHA) between November 7, 1978, and July 1, 2010. Specifically, this measure:

- (1) Appropriates \$200,000,000 to OHA in \$30,000,000 increments for each fiscal year beginning on July 1, 2015, and continuing until such time that the entire sum, plus applicable interest, is paid; and
- (2) Requires the State to pay OHA interest on any remaining balance owed from July 1, 2010, at the rate provided for under Hawaii's State Tort Liability law, currently four percent a year.

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

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including correcting language to consistently reflect that the \$200,000,000 covers the period between November 7, 1978, and July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2672, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2672, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Chong, Morita, Nishimoto and Thielen.

SCRep. 137-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1899

The purpose of this bill is to strengthen absentee voting procedures for members of the uniformed services, Department of Defense employees, and their family members serving overseas, by adopting absentee ballot procedures recommended by the Federal Voting Assistance Program.

The Chamber of Commerce of Hawaii, The League of Women Voters of Hawaii, Oahu Veterans Council, and American Civil Liberties Union of Hawaii testified in support of this bill. The Office of Veterans Services supported the intent of this measure. The Office of Elections and the Honolulu City Clerk offered comments.

Your Committee notes that issues were raised about the 45-day deadline for transmitting absentee ballots by electronic means. Election offices may be unable to comply with this provision due to the current timing of primary and general elections. Other questions were raised about definitions of the terms "household family member" and "next covered election."

Your Committee finds that the provisions contained in this measure warrant further discussion, and thus has amended this bill by:

- (1) Removing the term "household family member" which is covered under the definition of "absent uniformed services voter;"
- (2) Changing its effective date to July 1, 2112; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1899, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Tokioka and Ward.

SCRep. 138-10 Higher Education on H.B. No. 2641

The purpose of this bill is to allow the University of Hawaii (UH) to continue with student housing improvement projects by extending the date on which unencumbered revenue bonds authorized in Act 138, Session Laws of Hawaii 2005, are scheduled to lapse.

UH testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2641 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Rhoads and Pine.

SCRep. 139-10 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 2365

The purpose of this bill is to protect Hawaii's fragile environment while providing Hawaii's workforce with much needed jobs by establishing an Emergency Environmental Workforce (Workforce).

A concerned individual testified in support of this bill. The Department of Land and Natural Resources, Department of Agriculture, Hawaii Farm Bureau Federation, Good Shepherd Foundation, and a concerned individual testified in opposition to this measure. The Nature Conservancy of Hawaii provided comments.

Your Committees have amended this bill by:

- (1) Deleting the provision appropriating funds for the establishment of the Workforce; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2365, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2365, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Har and Luke.

SCRep. 140-10 Education on H.B. No. 2556

The purpose of this bill is to change the designating authority that approves the preferred environmentally-sensitive cleaning and maintenance products to be used by public schools, from the Green Seal Program to the Design for the Environment Program of the United States Environmental Protection Agency (EPA).

The Department of Health (DOH) testified in support of this bill. The Governor's Administration supported the measure with amendments. DOE and the Consumer Specialty Products Association provided comments.

Your Committee has amended this bill by:

- (1) Deleting language requiring DOH to maintain a list of products that have been approved for use in public schools;
- (2) Deleting language requiring DOH to review and evaluate research regarding environmentally-sensitive cleaning and maintenance products; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2556, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives Chang, Manahan and Rhoads.

SCRep. 141-10 Education on H.B. No. 2376

The purpose of this bill is to improve accountability with regards to Hawaii's public education system by proposing a constitutional amendment to Article X, Section 2, of the Hawaii Constitution, to:

- (1) Require the members of the Board of Education (BOE) to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor from pools of qualified candidates presented to the Governor by the BOE Selection Advisory Council (Council); and
- (2) Give BOE the power to restructure the Department of Education (DOE) to ensure that it is decentralized in a manner to promote student growth and achievement and greater accountability, and monitor and protect student rights provided by law.

Hawaii's Children First testified in support of this bill. The Hawaii Association of Independent Schools, Hawaii Business Roundtable, and a concerned individual supported the intent of this measure. The Special Education Advisory Council and a concerned individual opposed this bill. The Governor's Administration, the Representative from the 32nd District, Hawaii Government Employees' Association, and many concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Removing language specifying the process by which BOE members shall be appointed, specifically, their appointment from pools of qualified candidates presented to the Governor by the Council;
- (2) Deleting the requirement that part of the BOE membership represent geographic subdivisions of the State; and
- (3) Deleting the constitutional amendment to:
 - (A) Restructure DOE to ensure that it is decentralized in a manner to promote student growth and achievement and greater accountability; and
 - (B) Monitor and protect student rights provided by law;
- (4) Changing the question to be printed on the ballot to read, "Shall there be a board of education whose members are nominated and, by and with the advice and consent of the senate, appointed by the governor, as provided by law?"; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2376, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Manahan and Rhoads.

SCRep. 142-10 Education on H.B. No. 2377

The purpose of this bill is to improve the accountability of Hawaii's public education system by requiring the members of the Board of Education (BOE) to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor from pools of qualified candidates presented to the Governor by the BOE Selection Advisory Council (Council).

Hawaii's Children First and a concerned individual testified in support of this bill. The Hawaii Association of Independent Schools, Hawaii Business Roundtable, and a concerned individual supported the intent of this measure. A concerned individual opposed this bill. The Governor's Administration, Representative from the 32nd district, Hawaii Government Employees' Association, and many concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Removing BOE's authority to:
 - (A) Restructure the Department of Education (DOE) to ensure that it is decentralized in a manner to promote student growth and achievement and greater accountability; and
 - (B) Monitor and protect student rights provided by law;
- (2) Changing BOE membership from 15 appointed members to nine appointed members;
- (3) Specifying the terms of the members initially appointed to each BOE seat as follows:
 - (A) Three members shall serve two-year terms;
 - (B) Three members shall serve three-year terms; and
 - (C) Three members shall serve four-year terms;
- (4) Removing the requirement that certain BOE members represent and reside in certain geographic areas of the state, and the associated provisions for the Council to present candidates to fill vacant seats from these areas;
- (5) Changing the terms of each appointed BOE member from five to four years;
- (6) Specifying that for the period that BOE has fewer than eight appointed members, four members shall constitute a quorum, and that the concurrence of at least four members is needed to validate any BOE action; provided that when BOE reaches at least eight members, a majority of the members to which BOE is entitled shall constitute a quorum;
- (7) Deleting provisions relating to the notice requirements for BOE meetings;
- (8) Removing the requirement that BOE meet a certain number of times each year;
- (9) Deleting provisions enabling BOE to meet in the counties of Hawaii, Maui, and Kauai; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2377, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Manahan and Rhoads.

SCRep. 143-10 Tourism, Culture, & International Affairs on H.B. No. 2315

The purpose of this bill is to ensure that the School of Travel Industry Management (School) at the University of Hawaii (UH) at Manoa retains its autonomous nature by statutorily establishing the School as separate and independent of any school or college of business administration also established at UH.

The Tourism Liaison and many concerned individuals testified in support of this bill. UH at Manoa and Starwood Hotels and Resorts Worldwide, Hawaii, and French Polynesia opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2315, H.D. 1, and be referred to the Committee on Higher Education.

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

SCRep. 144-10 Tourism, Culture, & International Affairs on H.B. No. 2317

The purpose of this bill is to enhance the fiscal stability of the State Foundation on Culture and the Arts (SFCA) by allowing moneys from the Works of Art Special Fund to fund the position costs of the executive director of SFCA and other employees of SFCA for a five-year period.

A concerned individual supported this bill. SFCA supported the intent of this measure. Several concerned individuals provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2317, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 145-10 Tourism, Culture, & International Affairs on H.B. No. 2783

The purpose of this bill is to make permanent the general excise tax (GET) exemptions for certain common interest community submanagers, hotel suboperators, and timeshare operators and suboperators.

ARDA-Hawaii, Wyndham Worldwide, Hawaii Association of REALTORS, and Outrigger Hotels supported this bill.

The GET exemptions preserved by this bill were established by Act 239, Session Laws of Hawaii (SLH) 2007, and were scheduled to expire on December 31, 2009. Act 196, SLH 2009, extended the GET exemptions to December 31, 2010, and added a \$400,000 cap on the aggregate GET exemption. Your Committee engaged in discussion on whether the \$400,000 aggregate cap was intended to be a cap on tax liability or gross receipts, and respectfully requests subsequent committees to further examine this issue.

Your Committee has amended this bill by specifying that the \$400,000 cap is based on the taxable amount due and not the gross receipts.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2783, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 146-10 Housing/Water, Land, & Ocean Resources on H.B. No. 2526

The purpose of this bill is to remove barriers to the building of more affordable housing by implementing the recommendations of the statewide task force convened to carry out the mission of the National Call to Action for Affordable Housing Through Regulatory Reform. Specifically, this bill requires state and county agencies to issue ministerial permits for approved affordable housing projects within 45 days from the date the permit application was accepted.

The Office of the Governor; Hawaiian Homes Commission; Department of Hawaiian Home Lands; Hawaii Housing Finance and Development Corporation; The Chamber of Commerce of Hawaii; and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. A concerned individual supported the intent of this measure. The City and County of Honolulu Department of Planning and Permitting opposed this bill.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2526 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 147-10 Housing on H.B. No. 2491

The purpose of this bill is to encourage personal responsibility on the part of public housing residents by:

- (1) Requiring the Hawaii Public Housing Authority (Authority) to assess a minimum one percent common area expense fee;
- (2) Requiring the Authority to seek reimbursement from a unit resident for any damages to a unit caused by that resident; and
- (3) Authorizing the Authority to assess the cost of any common area expense against a specific unit resident if the expense was a result of that resident's misconduct.

This bill also removes a prospective tenant's need as a selection factor for public housing.

A concerned individual supported the intent of this bill. The Authority and Legal Aid Society of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Removing language requiring the Authority to assess a minimum one percent common area expense fee; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2491, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Morita.

SCRep. 148-10 Housing on H.B. No. 2319

The purpose of this bill is to encourage upward economic mobility and promote integrity in the public housing system by imposing, in most cases, a five-year limit on all public housing rentals, leases, and other occupancies.

Many concerned individuals supported this bill. The Hawaii Habitat for Humanity Association, Partners in Care, American Civil Liberties Union of Hawaii, Catholic Charities Hawaii, and a concerned individual opposed this measure. The Hawaii Public Housing Authority (HPHA) and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Including a provision directing HPHA to develop a plan to assist families transitioning out of public housing;
- (2) Clarifying that existing tenancies will not have years prior to the effective date of the bill counted against the five year limit; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2319, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Luke, Ching and Thielen.

SCRep. 149-10 Energy & Environmental Protection on H.B. No. 2628

The purpose of this bill is to extend the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC (HSWAC) due to the turmoil in the financial markets over the last two years, which prevented the sale of bonds.

The Department of Business, Economic Development, and Tourism; HSWAC; Hawaii Renewable Energy Alliance; Hawaii Laborers' Union, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 150-10 Higher Education on H.B. No. 2670

The purpose of this bill is to provide for the generation of more financial resources for the benefit of the State's public higher education system by removing the cap on the amount of expenditures that the University of Hawaii (UH) Board of Regents (BOR) can authorize from the UH Tuition and Fees Special Fund (Fund) for the purposes of promoting alumni relations and generating private donations.

The UH Foundation and UH Alumni Association testified in support of this bill. The UH System supported the intent of this measure. Several concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Increasing, instead of removing, the cap on the maximum amount of expenditures that BOR can authorize from the Fund to \$5,000,000; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2670, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Rhoads and Pine.

SCRep. 151-10 Public Safety on H.B. No. 335

The purpose of this bill is to establish a statewide-automated victim information and notification system to notify victims regarding custody, court appearances, and parole hearings of the offender in the victim's case.

The Maui County Police Department, Hawaii State Commission on the Status of Women, Sex Abuse Treatment Center, Hawaii State Coalition Against Domestic Violence, and VOICES testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported this measure with amendments. The Domestic Violence Action Center supported the intent of this bill. The Department of Public Safety (DPS) commented on this measure.

Your Committee notes that DPS will do a presentation on the notification system on a date to be announced. If probation information is required as part of the notification system, only the Judiciary has that information, and would need to input it into the system.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 335, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

SCRep. 152-10 Education/Higher Education/Labor & Public Employment on H.B. No. 2076

The purpose of this bill is to require the Department of Education (DOE), University of Hawaii (UH), and Department of Labor and Industrial Relations (DLIR) to share data to support research that will improve the educational and workforce outcomes for the citizens of Hawaii and meet the longitudinal data requirements of the federal American Recovery and Reinvestment Act of 2009.

The Workforce Development Council of DLIR and DOE testified in support of this bill. UH and Hawaii P-20 Partnerships for Education supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Including any other state agencies as appropriate in the data sharing requirements;
- (2) Requiring all state agency directors to consider participation and data sharing for a statewide longitudinal system; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2076, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2076, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, M. Lee, Manahan and Shimabukuro.

SCRep. 153-10 Energy & Environmental Protection on H.B. No. 2125

The purpose of this measure is to reduce the amount of plastic waste entering the State's landfills and ocean waters by encouraging the use of reusable checkout bags in retail transactions. Specifically, beginning January 1, 2011, this measure:

- (1) Requires businesses in the State to charge and collect an offset fee of 20 cents for each plastic disposable checkout bag that is distributed to customers, subject to exceptions;
- (2) Requires businesses to remit offset fees collected to the Department of Health each month; and
- (3) Provides for the deposit of offset fees into the general fund.

Testimony in support of this measure was received from the University of Hawaii Environmental Center, Hawaii Chapter of the Sierra Club, Conservation Council for Hawaii, Hawaii Audubon Society, Surfrider Foundation, and a number of concerned individuals. Testimony in opposition to this measure was received from the Department of Health, American Chemistry Council, Hawaii Restaurant Association, Retail Merchants of Hawaii, and two concerned individuals. Comments were received from the Hawaii Food Industry Association.

Your Committee finds that non-recyclable plastic waste poses a significant threat to Hawaii's natural environment and marine life. Non-recyclable plastic waste also contributes to the rapid overfilling of the State's landfills. Disposable checkout bags are a significant portion of the non-recyclable plastic waste that ends up as landfill waste or litter on Hawaii's land or in the ocean. Your Committee finds that a fee on the distribution of disposable checkout bags would discourage their use, while also encouraging greater use of reusable, environmentally-friendly alternatives.

Your Committee has amended this measure by:

- (1) Adding a purpose clause to clarify the intent of this measure;
- (2) Including paper bags in the definition of "disposable checkout bag";
- (3) Decreasing the amount of the offset fee to 10 cents per disposable checkout bag; and
- (4) Allowing businesses that offer their customers a credit for providing their own checkout bags to retain an unspecified percentage of the offset fees collected by the business.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2125, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Har and Luke.

SCRep. 154-10 Human Services/Health on H.B. No. 2990

The purpose of this bill is to provide a better understanding of the scope of services provided by Medicaid by centralizing Hawaii Medicaid statutes under a new Medicaid Chapter in the Hawaii Revised Statutes (HRS).

The Healthcare Association of Hawaii supported this bill. The Department of Human Services opposed this measure.

Your Committees find that Medicaid is a State program with a budget of more than a billion dollars, second in size only to public education. Other State programs, many of which are several orders of magnitude smaller than Medicaid, are established in statute with comprehensive provisions that set forth the parameters within which they must operate.

Currently, HRS contains various sections that relate to Medicaid, but they are scattered throughout the statutes and address only a few aspects of the Medicaid program. There is no comprehensive statute that establishes Medicaid's purpose, structure, and operating principles. The purpose of this bill is to create a unified and comprehensive statute for Hawaii's Medicaid program.

This bill more clearly assigns the responsibilities of the Legislative and the Executive Branch with respect to Medicaid. In our form of democracy, the major responsibilities of government are assigned to the three major branches of government. The resulting system of checks and balances assures that no single person or no single government agency accumulates too much power. The Legislative Branch sets public policy by passing laws. The Executive Branch carries out the policies set by the Legislative Branch. The Judicial Branch interprets the laws when there are disagreements.

By enacting a Medicaid chapter the Legislature would fulfill its function of establishing public policy. Such a chapter would also give guidance to the Executive Branch in determining how Medicaid should operate.

A Medicaid chapter in HRS would have other benefits. It would make Medicaid more transparent to the public. Currently, health care providers, consumers, and consumer advocates are in many cases not fully aware of how Medicaid operates. Also, they are often not aware of changes made to Medicaid until after the changes have been implemented. Many feel powerless to influence these changes. At times they have felt that changes to Medicaid have been made that negatively impacts Medicaid participants. A Medicaid chapter in HRS would give stakeholders and the public a voice in shaping the Medicaid Program.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2990 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 155-10 Human Services on H.B. No. 2265

The purpose of this bill is to ensure that the best interests of a child are taken into consideration when court custody decisions are made by amending custody and visitation criteria and procedures to expand on points the courts must consider.

Several concerned individuals supported this bill. A concerned individual supported this bill with amendments.

Your Committee appreciates the comments presented to it by a concerned individual about ensuring that a child's best interests are taken into consideration when court custody decisions are made. This should be done by taking into account the child's views, preferences, and fears about the current and prospective family situation. Also, when considering the safe placement of a child the demonstrated actions of a parent to protect their child must be considered as well as that parent's perceived willingness to protect the child.

Your Committee respectfully requests the Committee on Judiciary to consider amending the bill to address these concerns.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 156-10 Human Services on H.B. No. 2982

The purpose of this bill is to make a technical amendment to the statute covering the duties of the Executive Director (Director) of the Office of Youth Services (OYS).

OYS provided comments on this bill.

Your Committee has amended this bill by replacing its contents with provisions that, among other things:

- (1) Confer full power to the Director to grant and revoke paroles of the Hawaii Youth Correctional Facility (HYCF);
- (2) Authorize the Director to issue warrants for the arrest and return to actual custody of wards paroled from HYCF; and
- (3) Authorize county police and state law enforcement officers to arrest any ward who absconds from furlough or escapes from HYCF.

Your Committee has further amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2982, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 157-10 Human Services on H.B. No. 1915

The purpose of this bill is to move families and individuals out of poverty by:

- (1) Establishing a State Earned Income Tax Credit;
- (2) Requiring and appropriating funds for the Department of Human Services (DHS) to offer financial education to applicants for and recipients of Temporary Assistance to Needy Families;
- (3) Amending the Individual Development Account (IDA) law to, among other things, require DHS to:
 - (A) Assist entities to become fiduciary organizations under the IDA law; and
 - (B) Increase to 25 percent, the amount of state funds that may be used by fiduciary organizations to cover operating costs; and
- (4) Appropriating funds to allow fiduciary organizations to conduct IDA programs.

Goodwill Industries of Hawaii, Inc.; Hawai'i Alliance for Community Based Economic Development; and Aloha United Way testified in support of this measure. The Tax Foundation of Hawaii commented.

Your Committee notes that the Tax Foundation of Hawaii had numerous concerns about establishing a state earned income tax credit (EITC). Among those concerns were that:

- (1) Basing Hawaii's credit on the federal EITC would import problems with the federal EITC. Administrators and practitioners agree that it is one of the most difficult and complicated federal credits to implement, and the Internal Revenue Service reports an error rate of greater than 25 percent;
- (2) By taking a percentage of the federal EITC, Hawaii's lawmakers are surrendering their oversight over this tax policy to the federal government, because it bears no relationship to state tax burdens or whether it will assist recipients to leave welfare, and will change when the federal government changes its EITC policy; and
- (3) It will result in an estimated \$23,200,000 decline in tax revenues, based on 2003 tax returns, funds that may be unavailable during this downturn, and if available, may be better spent on state programs that assist persons in gaining skills needed to move out of poverty.

To encourage further discussion of this measure your Committee has changed its effective date to January 1, 2050. Technical, nonsubstantive amendments were also made for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1915, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 158-10 Human Services on H.B. No. 2976

The purpose of this bill is to extend the sunset date of the Interdepartmental Council on Early Childhood Education (Council) to an unspecified date.

The Good Beginnings Alliance supported the intent of this bill. The Governor's Administration supported this measure with amendments. A concerned individual opposed this bill. The Hawaii Association of Independent Schools and Early Learning Council offered comments.

Your Committee has amended this bill by:

- (1) Adding a purpose and findings section to this measure to place the State in an advantageous position in its application for federal stimulus money for early childhood education;
- (2) Adding four members to the Council who represent:
 - (A) An institution of higher education in the state;
 - (B) A local provider of early childhood education and development services;
 - (C) A Head Start provider agency located in the state; and
 - (D) The state director of Head Start Collaboration;
- (3) Extending the Council's sunset date to June 30, 2013; and
- (4) Changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2976, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 159-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2344

The purpose of this bill is to repeal the uniform maintenance allowance for enlisted personnel.

Your Committee notes that the \$1.50 per day uniform maintenance allowance for dry cleaning is no longer necessary because uniforms are now wash-and-wear. Furthermore, your Committee notes that the Adjutant General has suspended the uniform maintenance fee. As such, and given the State's current financial crisis, these funds could be used for other programs funded by the Department of Defense.

Your Committee has amended this bill by changing the effective date to July 1, 2112, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2344, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 160-10 Agriculture on H.B. No. 2503

The purpose of this bill is to remove the requirement that personnel costs from the Pesticide Use Revolving Fund be used only for employees in the Registration and Education Section of the Pesticides Branch of the Department of Agriculture.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, and a concerned individual supported this bill. The Hawaii Pest Control Association and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 20, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2503, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 161-10 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 2484

The purpose of this bill is to protect and preserve Hawaiian historical sites by establishing the act of knowingly taking, appropriating, excavating, injuring, destroying, or altering any heiau located on private lands, except as permitted by the Department of Land and Natural Resources (DLNR), as a violation punishable by:

- (1) A fine of not more than \$10,000 for each separate violation;
- (2) Additional fines as determined by the courts for the value of the lost or damaged property; and
- (3) Seizure of equipment used for the destruction of the property.

The Office of Hawaiian Affairs, DLNR, Koolaupoko Hawaiian Civic Club, and several concerned individuals supported this bill. The Historic Hawaii Foundation supported the intent of this measure. The Society for Hawaiian Archaeology submitted comments.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2484 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Chong, Morita, Nishimoto and Thielen.

SCRep. 162-10 Consumer Protection & Commerce on H.B. No. 2642

The purpose of this bill is to appropriate from the Public Utilities Commission (PUC) Special Fund sufficient funding for staffing and completing the reorganization of the PUC and the Division of Consumer Advocacy.

The Consumer Advocate, the Regulatory Reform Working Group of the Hawaii Energy Policy Forum, the Hawaiian Electric Company, Inc. and its subsidiaries, the Blue Planet Foundation, Hawaii Transportation Association, Life of the Land, and Hawaiian Telcom testified in support of this bill. The PUC commented.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2642 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 163-10 Consumer Protection & Commerce on H.B. No. 2548

The purpose of this bill is to update laws related to Prepaid Legal Service Plans (PLSPs) to allow the Department of Commerce and Consumer Affairs (DCCA) to adequately regulate these plans and enforce these laws. Specifically, this bill:

- (1) Adds definitions for "accumulation or payment of money";
- (2) Clarifies that PLSPs are under the jurisdiction of the Insurance Commissioner;
- (3) Clarifies provisions relating to funds collected for PLSPs;
- (4) Updates requirements for annual statements to be submitted to the Insurance Commissioner, including a requirement that the statement be compiled, reviewed, or audited by a certified public accountant;
- (5) Specifies that corrective action needs to be taken within seven days of receiving notice from the Insurance Commissioner of noncompliance with the law; and
- (6) Authorizes the Insurance Commissioner to deny, suspend, revoke, or refuse to approve any PLSPs, as well as levy penalties for violation of PLSP laws.

DCCA testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2548 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 164-10 Consumer Protection & Commerce on H.B. No. 304

The purpose of this bill is to adjust the foreclosure period between the assessment of the amount due under a mortgage and the rendering of judgment by the court by an unspecified amount of time. This measure also adjusts other time periods for actions related to foreclosure, including nonjudicial and timeshare foreclosure proceedings.

The Legal Aid Society of Hawaii and Hawaiian Alliance, LLC supported this bill. The Hawaii Bankers Association, Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii, and Hawaii Credit Union League opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 304, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 165-10 Water, Land, & Ocean Resources/Tourism, Culture, & International Affairs on H.B. No. 2923

The purpose of this bill is to maximize the economic viability of businesses that lease public lands and Hawaiian Home Lands for commercial or industrial uses by authorizing the Board of Land and Natural Resources (BLNR) and Department of Hawaiian Home Lands, respectively, to extend the leases for 65 years upon a development agreement to improve the leased land.

The DeBartolo Group and a concerned individual testified in support of this bill. The Department of Hawaiian Home Lands and Hawaiian Homes Commission supported the intent of this measure. The Department of Land and Natural Resources; Waimea Hawaiian Homesteaders' Association, Inc.; State Council of Hawaiian Homestead Associations; and numerous concerned individuals opposed this bill.

Your Committees have amended this bill by:

- (1) Removing BLNR and public lands over which it has control from the scope of this bill;
- (2) Reducing the length of the extension from 65 years to 34 years; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Tourism, Culture, & International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2923, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2923, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chong, McKelvey, Sagum, Takai and Wooley.

SCRep. 166-10 Public Safety on H.B. No. 2909

The purpose of this bill is to remove a threat to public health and safety by establishing a Class C felony for the construction, setting off, ignition, or discharge of any homemade explosive device.

Legislative Information Services of Hawaii and several concerned individuals testified in support of this bill. The Hawaii Rifle Association opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2909 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

SCRep. 167-10 Consumer Protection & Commerce on H.B. No. 2706

The purpose of this bill is to find additional sources of State revenue and position Hawaii as a first-class asset and trust management jurisdiction, by establishing the Permitted Transfers in Trust Act (Trust Act) to govern transfers of cash and securities to trustees under an irrevocable trust instrument.

This bill also exempts transfers under the Trust Act from the Rule Against Perpetuities, which requires trusts to terminate within 90 years, or 21 years after the death of a pertinent individual alive at the time the trust was created.

First Hawaiian Bank and a concerned individual testified in support of this bill.

Your Committee finds that the State must explore alternative sources of revenue to address the current economic crisis and lay the foundation for future economic development. The Trust Act allows the establishment of certain trusts that are perpetual, extend federal estate tax advantages, and offer protections from creditors. These trust law provisions will bring additional business to Hawaii's financial sector and may help bolster Hawaii's tax revenues, visitor industry, and overall economy.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2706 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 168-10 Transportation on H.B. No. 2263

The purpose of this bill is to amend the statutory requirements for provisional driver's licenses for persons between ages 16 and 18 to allow a provisional licensee to obtain a driver's license at the age of 18 without meeting the six month requirement for maintaining a provisional license.

The Department of Transportation (DOT), Department of Customer Services of the City and County of Honolulu, and numerous concerned individuals testified in support of this bill.

Research, studies, and statistics show that young, novice drivers have an extremely high crash risk with factors such as inexperience and immaturity being major contributors. This is especially true at night. As a result, Act 72, Session Laws of Hawaii 2005, was enacted to address this issue by developing a provisional driver's license program. According to DOT, since the program's inception, a significant decrease in the number of crashes involving 16 year olds (27 percent) and 17 year olds (14 percent) has occurred. More importantly, there has been a 60 percent reduction in the number of deaths among teens as a result of traffic collisions.

However, your Committee finds that, among other things, the provisional license program requires that a provisional licensee hold the license for a minimum of six months before being eligible for a driver's license. This has created a problem for individuals who are nearing their 18th birthday and have a provisional license. As currently written, individuals in the provisional license program who turn 18 prior to fulfilling the six month requirement are not eligible for a driver's license until the requirement is met, even though they have taken all the requisite driver education courses. However, 18 year old individuals who did not enter the provisional licensing program are eligible to obtain a driver's license upon their 18th birthday. This measure addresses this issue.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2263 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 169-10 Judiciary on H.B. No. 1993

The purpose of this bill is to make permanent the law establishing the jurisdictional responsibilities of the appellate courts.

The Judiciary supported this measure.

Your Committee has amended this bill by extending the repeal date of the underlying law for another four years, rather than making it permanent. In addition, your Committee has changed the effective date of this bill to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1993, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170-10 Judiciary on H.B. No. 1996

The purpose of this bill is to:

- (1) Extend the DNA analysis fee requirement for felons to defendants with deferred pleas; and
- (2) Require felony offenders transferring into Hawaii under an interstate compact to pay the actual cost of the DNA analysis.

The Judiciary and City and County of Honolulu Department of the Prosecuting Attorney testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that felony offenders transferring into Hawaii under an interstate compact shall pay \$500 or the actual cost, whichever is less, of the DNA analysis;
- (2) Clarifying that the Hawaii State compact administrator may waive the assessment; and

- (3) Changing the effective date to December 21, 2058, and inserting a repeal date of June 30, 2014.

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

Signed by all members of the Committee.

SCRep. 171-10 Judiciary on H.B. No. 2248

The purpose of this bill is to improve interstate adult guardianship and protective proceedings by establishing uniform rules regarding court communication, jurisdiction, and transfers of guardianship or conservatorship, among other things.

The Commission to Promote Uniform Legislation; Alzheimer's Association; and Alzheimer's Association, Aloha Chapter supported this bill. The Judiciary provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, Morita and Thielen.

SCRep. 172-10 Labor & Public Employment on H.B. No. 2079

The purpose of this bill is to promote the timely rendering of decisions in workers' compensation claim hearings by precluding any extensions of the period when decisions must be rendered.

The ILWU Local 142, Hawaii Injured Workers Alliance, and a concerned individual testified in support of this bill. The Department of Labor and Industrial Relations (DLIR), Department of Human Resources Development, and Hawaii Insurers Council opposed this measure.

Your Committee notes that this bill simply eliminates the authority of the Director of Labor and Industrial Relations to extend the 60 days-after-hearing due date for decisions. This is an administrative improvement which should encourage all parties, including DLIR, to act responsibly in moving cases toward a prompt resolution.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2079 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 173-10 Labor & Public Employment on H.B. No. 2429

The purpose of this bill is to address budget shortfalls by:

- (1) Authorizing the executive branch to offer a voluntary severance or a special retirement incentive benefit to state employees who elect to voluntarily separate from service when their positions are identified for abolishment or when they are directly affected by a reduction-in-force or workforce restructuring plan; and
- (2) Extending to the counties, the Department of Education, the Judiciary, the Hawaii Health Systems Corporation, the Office of Hawaiian Affairs, and the legislative branches of the state and county governments the option to provide a special retirement incentive to their respective employees under a reduction-in-force or a workforce restructuring plan.

The Hawaii Government Employees' Association supported this bill. The Employees' Retirement System and Department of Budget and Finance opposed this measure.

Your Committee finds that while this legislation provides government with an option to reduce workforce as a cost-saving measure there are many concerns regarding the loss of good employees and their institutional knowledge and necessary skills that may be difficult or even damaging to do without. However, in such economic times this issue warrants further discussion and this bill should move forward in the legislative process to receive more input and determine the true cost savings of such an initiative.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 174-10 Labor & Public Employment on H.B. No. 2919

The purpose of this bill is to provide equality in benefits to people doing similar work by expanding the definition of "sewer worker" to include sewer maintenance working supervisors, wastewater collection system inspection supervisors, wastewater collection system district supervisors, and wastewater collection system field services supervisors.

The City and County of Honolulu's Department of Human Resources (DHR), Hawaii Government Employees' Association AFSCME Local 152, AFL-CIO, United Public Workers, and a concerned individual supported this bill. The Employees' Retirement System (ERS) opposed this measure.

Your Committee recognizes the concerns presented by the ERS regarding expanding the definition of "sewer worker" under section 88-21, Hawaii Revised Statutes, as it will enable a greater number of employees to take early retirement without reduction for age as long as the member has at least 25 years of service. ERS also communicated that this action will increase the ERS' \$6.2 billion unfunded actuarial accrued liability, and it is contrary to the moratorium on benefit enhancements set in place by Act 256, Session Laws of Hawaii 2007. However, your Committee finds that this bill would have a minimal impact as, according to the DHR, there are only seven employees that would receive this benefit enhancement should this bill become enacted.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2919 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 175-10 Labor & Public Employment on H.B. No. 2202

The purpose of this bill is to assist unemployed individuals who do not have Internet access or are unfamiliar with conventions of the Internet by prohibiting the Department of Labor and Industrial Relations (DLIR) from requiring individuals to register their availability to work online.

The ILWU Local 142, United Public Workers AFSCME Local 646 AFL-CIO, and a concerned individual testified in support of this bill. DLIR opposed this measure.

Under current law, claimants for unemployment insurance benefits are required to post job availability information that includes, among other things, the claimant's name, job skills, education, training, prior employment history, and other relevant occupational information. This "online resume" is intended to serve as a tool for helping claimants seek new employment. However, it also poses a disadvantage to claimants who do not have Internet access or are unfamiliar with using the Internet and may result in these claimants not receiving unemployment benefits in a timely manner.

However, your Committee notes DLIR's contention that Internet job matching is the most efficient method of matching a jobseeker's skills and interests with an employer's needs and available employment, which is beneficial to all parties involved. Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions prohibiting DLIR from requiring individuals to register their availability to work online;
- (2) Inserting language that requires DLIR to either:
 - (A) Allow an individual to post the required information independently on the department's Internet job-matching system; or
 - (B) Accept relevant occupational information provided by the individual on a document prescribed by the department and enter the necessary information on the department's Internet job-matching system for the individual;
- (3) Deleting language repealing the definitions of "registered for work" or "registration for work"; and
- (4) Deleting language requiring DLIR to adopt, modify, and repeal rules of general application to address the prohibition.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2202, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 176-10 Labor & Public Employment on H.B. No. 2257

The purpose of this bill is to assist unemployed individuals by allowing those partially unemployed individuals who are employed part-time by a secondary employer while attached to a regular employer that is not offering work to retain unemployment insurance benefits even if the employee voluntarily or involuntarily separates from the part-time employment.

The Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Government Employees' Association; and ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations testified in opposition to this measure.

Currently, individuals who are attached to an employer but separated from that employer because of lack of work may receive "partial" unemployment insurance (UI) benefits. This exempts that individual from work registration and job search requirements because the individual is obligated to be available for work by the employer the worker is attached to and it is expected that work will be available in a timely manner. In addition, the claimant may voluntarily seek part-time or full-time employment to supplement or supplant the UI benefits that are being received.

However, should this individual be separated from employment with the secondary employer, the possibility exists that the individual would be disqualified from receiving any UI benefits. This measure attempts to correct this issue.

Your Committee has amended this bill by:

- (1) Stipulating that an individual shall not be disqualified for benefits for any week in which the individual separates from an employer offering part-time employment even if separation is for good cause;
- (2) Clarifying that to qualify for the appropriate UI benefits, an individual must be attached to a regular employer; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2257, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 177-10 Labor & Public Employment on H.B. No. 2964

The purpose of this bill is to alleviate some of the effects of the current fiscal crisis the State is facing by increasing the amount of the salary reductions for members of the Legislature for the second half of the 2009–2010 fiscal biennium.

No testimony was received on this bill.

Your Committee finds that the United States is facing some of the most difficult economic times in recent memory, a period of time that has sometimes been dubbed "The Great Recession." Hawaii is not immune to these dire economic conditions with the State currently facing an estimated budget deficit of \$1.2 billion. Although salary increases were approved by the salary commission for members of the executive, legislative, and judicial branches, these increases were approved at a time when Hawaii's economic future looked bright.

Recognizing the situation, the Legislature enacted Act 85, Session Laws of Hawaii 2009, which implemented a salary reduction of five percent for public executives, judges, and legislators for a two-year period. However, although economic conditions have shown signs of improvement, the State continues to face a large fiscal deficit. In recognition of Hawaii's current fiscal situation, your Committee finds that further reducing the salaries of public executives, judges, and legislators for the second half of the 2009-2010 fiscal biennium would be the most prudent thing to do at this time.

Accordingly, your Committee has amended this bill by:

- (1) Including salary reductions of 8.07 percent for the governor, the lieutenant governor, the justices and judges of all state courts, the administrative director of the State or an equivalent position, the department heads or executive officers and the deputies or assistants of various state departments; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2964, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 178-10 Judiciary on H.B. No. 59

The purpose of this bill is to ensure that candidates for legislative office are familiar with the problems and concerns of the jurisdictions that they seek to represent. Specifically, this bill proposes to amend the Hawaii Constitution by requiring candidates to be residents of the senatorial or representative district from which they seek to be elected for at least 12 consecutive months prior to the general election.

The League of Women Voters of Hawaii and Ironworkers Stabilization Fund testified in support of this bill.

Your Committee has amended this bill by changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 59, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 59, H.D. 2.

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

SCRep. 179-10 Judiciary on H.B. No. 1991

The purpose of this bill is to increase general fund revenues by raising the fee for a traffic abstract from \$7 to \$10 and increasing the amount of the fee deposited into the general fund from \$5 to \$8.

The Judiciary testified in support of this bill. The Hawaii Insurers Council, USAA, and State Farm Insurance Companies testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1991, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180-10 Judiciary on H.B. No. 2508

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees.

The Department of the Attorney General supported this bill.

Your Committee has amended this measure by:

- (1) Adding four newly resolved claims totaling an additional \$227,075.34, to be appropriated from the general fund;
- (2) Adding a new section to Part II to reflect the Department of Transportation, Harbors Division, case; and
- (3) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2508, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 181-10 Health on H.B. No. 2349

The purpose of this bill is to deter assault and terroristic threatening against emergency medical personnel by extending protection coverage to include physicians, physician's assistants, nurses, and nurse practitioners who provide emergency care in the emergency room of a hospital.

The Hawaii Medical Association, Hawaii Government Employees Association, The Queen's Medical Center, Healthcare Association of Hawaii, and Kaiser Permanente testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2349 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 182-10 Health on H.B. No. 1896

The purpose of this bill is to protect consumers by prohibiting accident and health or sickness insurers, mutual benefit societies, dental service organizations, and health maintenance organizations from setting fees for dental services that are not covered by the consumer's subscriber agreement.

The Department of Commerce and Consumer Affairs, Hawaii Dental Association, and several concerned individuals supported this bill. The Hawaii Medical Service Association and Hawaii Dental Service provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1896, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 183-10 Health on H.B. No. 2056

The purpose of this bill is to broaden the practical experience requirements for a pharmacist license by:

- (1) Allowing experience gained in the U.S. territories and the District of Columbia to count toward licensure; and
- (2) Removing the requirement that experience take place in a pharmacy, among other things.

The University of Hawaii at Hilo, College of Pharmacy; Longs Drugs; and many concerned individuals supported this bill. The Board of Pharmacy supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Clarifying that practical experience completed under a pharmacist appropriately licensed in other locations shall count toward licensure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2056, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 184-10 Health on H.B. No. 2461

The purpose of this bill is to improve Hawaii's health care system and patient care by requiring health insurers and like entities to offer at least the same prescription drug coverage to the insured that the insured individual had under their previous insurance plan.

The Neuropathy Action Foundation, Hawaii Coalition for Health, Hawaii Congress of Physicians and Other Healthcare Providers, American Cancer Society, National Cornerstone Healthcare Services Inc., the Alzheimer's Association, Aloha Chapter, and a concerned individual testified in support of this bill. The Department of Human Services, Department of Commerce and Consumer Affairs, Kaiser Permanente, Hawaii Medical Service Association, and Hawaii Association of Health Plans testified in opposition to this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2461, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 185-10 Health on H.B. No. 2152

The purpose of this bill is to ensure public building access for Hawaii's disabled population by providing the Disability and Communication Access Board (DCAB) with the authority to charge a review process fee based upon estimated construction costs.

DCAB; TreeHouse HI Team, LLC; and a concerned individual supported this bill. Island Pacific Architecture supported the intent of this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186-10 Health on H.B. No. 2094

The purpose of this bill is to support healthcare in Hawaii and to strengthen the state's hospital system by allowing the issuance of special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, or reimbursing costs related to the acquisition or construction of health care facilities.

Hawaii Pacific Health and the Healthcare Association of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2094 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 187-10 Health on H.B. No. 2081

The purpose of this bill is to improve health outcomes for premature infants by requiring the Department of Health (DOH) to prepare and distribute to their parents written educational information about the proper care of preterm infants and information about available services and community resources.

Healthy Mothers Healthy Babies Coalition of Hawaii, MedImmune, and March of Dimes Hawaii Chapter testified in support of this bill. DOH opposed this bill.

Your Committee finds that this measure is an important first step toward reducing re-hospitalizations and improving healthcare quality and outcomes for infants born premature. Your Committee has amended this bill by:

- (1) Requiring DOH to prepare the written educational information not later than January 1, 2012, rather than July 1, 2011;
- (2) Specifying that the publication be written in multiple diverse languages appropriate for parents of premature infants, rather than for a wide socioeconomic range of parents;
- (3) Requiring the information to be updated every three, instead of every two, years; and
- (4) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2081, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 188-10 Health on H.B. No. 2095

The purpose of this bill is to ensure the availability of emergency care by a physician by establishing an Emergency Room Physician Tax Credit (Tax Credit) to encourage emergency and critical care specialists to work in hospital emergency rooms on an on-call basis.

The Hawaii Medical Association, The Queen's Medical Center, and the Hawaii Association for Justice supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Tax Credit applies to physicians who provide medical care in a state-approved hospital emergency room on an on-call basis, have provided over 576 on-call hours, and are not delinquent in their state taxes;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2095, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 189-10 Legislative Management on H.B. No. 2902

The purpose of this bill is to effectuate its title.

H.B. No. 2902 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2902, as amended herein, and recommends that it be recommitted to the Committee on Legislative Management, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2902, H.D. 1.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 190-10 Housing on H.B. No. 2568

The purpose of this bill is to reduce the number of board members on the board of directors of the Hawaii Public Housing Authority required to constitute a quorum to allow the board to perform its duties in a timely and efficient manner.

The Governor's Admission, Hawaii Public Housing Authority, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2568 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Morita.

SCRep. 191-10 Consumer Protection & Commerce on H.B. No. 2633

The purpose of this bill is to increase the hours of education needed to renew a real estate broker or salesperson license from ten hours to at least 20 hours in each two-year licensing period.

The Hawaii Real Estate Commission, Hawaii Association of REALTORS, Hawaii League of Young Real Estate Professionals, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2633 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 192-10 Judiciary on H.B. No. 2249

The purpose of this bill is to allow competitive solicitation contractors to contribute to political parties.

The State of Hawaii Campaign Spending Commission, Americans for Democratic Action, and Common Cause Hawaii testified in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2249 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, Morita and Thielen.
(Representative Belatti voted no.)

SCRep. 193-10 Judiciary on H.B. No. 1992

The purpose of this bill is to make permanent the authority of intermediate court judges to subpoena witnesses, compel the production of evidence, and administer oaths.

The Judiciary supported this bill.

Your Committee has amended this bill by extending the repeal date of the underlying law for another two years, rather than making it permanent. In addition, your Committee has changed the effective date of this bill to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1992, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 194-10 Judiciary on H.B. No. 2254

The purpose of this bill is to criminalize the unauthorized installation of software through misrepresentation or deception in an effort to combat unauthorized retrieval of personal information. This bill will make such deceptive practices a class C felony and provides for civil damages and injunctive relief.

An individual testified in favor of the measure while another provided comments. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2254, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, Morita and Thielen.

SCRep. 195-10 Judiciary on H.B. No. 2721

The purpose of this bill is to authorize certified shorthand reporters to administer oaths or affirmations and perform the duties of a deposition officer.

The Hawaii Court Reporters and Captioners Association provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 21, 2058, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2721, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 196-10 Judiciary on H.B. No. 134

The purpose of this bill is to ensure that persons with a driver's license possess the legal status needed to obtain and retain one by:

- (1) Requiring an applicant for a driver's license and instruction permit to submit proof that the applicant is legally in the United States (U.S.); and
- (2) Providing that legal immigrant licenses expire no later than the date of the legal immigrant's authorized period of stay in the U.S.

This bill also authorizes the Director of Transportation (Director) to:

- (1) Adopt rules to provide an exemption to the proof of U.S. presence requirements; and
- (2) Establish a verification fee.

The Department of Transportation supported this bill. The American Civil Liberties Union of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring the Director to adopt rules for standards of proof and for exemptions from the proof of legal presence requirement;
- (2) Requiring the Director to establish by rule a standard fee for all driver license applicants who require verification of presence in the U.S. through the federal system;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 134, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 134, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, Morita and Thielen.

SCRep. 197-10 Judiciary on H.B. No. 939

The purpose of this bill is to balance the increased cost of development and the streamlining of the permit process with the need to protect the environment.

Specifically, this measure will raise the valuation threshold for developments required to have special management area use permits from a valuation that exceeds \$125,000 to one that exceeds \$250,000. The bill will also raise the valuation threshold for special management area minor permits from not in excess of \$125,000 to not in excess of \$250,000.

The City and County of Honolulu Department of Planning and Permitting, County of Hawaii Planning Department, Land Use Research Foundation of Hawaii, and several concerned individuals testified in support of this bill. The Office of Hawaiian Affairs and the Sierra Club - Hawaii Chapter opposed this measure. The Department of Business, Economic Development, and Tourism, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 939, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 939, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, Morita and Thielen.

SCRep. 198-10 Judiciary on H.B. No. 1684

The purpose of this bill is to prevent and reduce the intentional introduction and spread of invasive species by:

- (1) Establishing a petty misdemeanor offense for any person that violates the provisions governing importation of certain live organisms into the state;
- (2) Reducing the maximum fines for the petty misdemeanor offense as follows:
 - (A) For the first offense, from \$10,000 to \$5,000; and
 - (B) For a second offense committed within five years of a prior offense, from \$25,000 to \$15,000;
 and
- (3) Establishing a class C felony offense for intentionally importing, possessing, harboring, transferring, or transporting, including through interisland or inraisland movement, any pest designated by statute or rule unless otherwise allowed by law.

The Department of Agriculture, Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, University of Hawaii Environmental Center, and Hawaii Audubon Society supported this measure.

Your Committee amended this measure by:

- (1) Reducing the minimum fines for the petty misdemeanor offense as follows:
 - (A) For the first offense, from \$100 to \$50; and
 - (B) For a second offense committed within five years of a prior offense, from \$500 to \$250;
- (2) Lowering the class C felony fines from not less than \$100,000 but not more than \$400,000 to not less than \$50,000, and not more than \$200,000, respectively;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1684, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1684, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, Morita and Thielen.

SCRep. 199-10 Transportation on H.B. No. 2693

The purpose of this bill is to improve child passenger safety laws. Specifically, this bill:

- (1) Prohibits a parent or legal guardian who is a passenger in a motor vehicle from permitting the transport of a child under eight years of age in violation of the child passenger restraint requirements;
- (2) Allows, under certain circumstances, a child under eight years of age who is less than four feet and nine inches in height to ride in the front seat of a motor vehicle if the child is properly secured in a child passenger restraint system that meets federal motor vehicle safety standards; and
- (3) Prohibits a child from riding in the front seat of a motor vehicle that has an active passenger airbag if the child is under one year of age, less than twenty pounds in weight, or riding in a rear-facing child passenger restraint system.

The Department of Transportation and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2693 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 200-10 Transportation on H.B. No. 2602

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

- (1) Prohibiting the use of mobile electronic devices while operating a motor vehicle, with certain exceptions; and
- (2) Establishing penalties for infraction.

The Department of Transportation, Honolulu Prosecuting Attorney, Honolulu Police Department, and many concerned individuals testified in support of this bill. The Hawaii Transportation Association and a concerned individual supported the intent of this measure. Several concerned individuals supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Removing the requirement that drivers using two-way radios for work-related duties must be operating a fleet vehicle or possess a commercial vehicle license to be exempt from the provisions of this bill;
- (2) Removing the provision that would make the infractions a criminal offense; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2602, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 201-10 Transportation on H.B. No. 2370

The purpose of this bill is to continue to assist in the renovation and development of car rental customer facilities at Hawaii's airports by:

- (1) Clarifying statutory language to allow the Department of Transportation (DOT) to adjust the rental motor vehicle customer facility charge without having to establish rules provided that a public informational hearing on the adjustment is held;
- (2) Increasing the initial rental motor vehicle customer facility charge from \$1 per day to \$4.50 per day beginning on September 1, 2010;
- (3) Increasing the collection ceiling for the rental motor vehicle customer facility charge from \$25,000,000 to \$483,908,000;
- (4) Stipulating that any unexpended or unencumbered balance of any appropriation of Act 226, Session Laws of Hawaii 2008, as of the close of business on June 30, 2011, will lapse into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
- (5) Appropriating \$291,300,000 out of the Rental Motor Vehicle Customer Facility Charge Special Fund for fiscal year 2010-2011 for the continued fast-tracking of projects, including construction projects at Kahului Airport and Honolulu International Airport.

DOT, Catrala Hawaii, Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and The Hertz Corporation testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

The rental car industry plays a vital role in Hawaii's most important industry, tourism. To provide better service to customers renting vehicles at the state's airports, improvements need to be made to the many facilities located at the airports that serve rental car customers. Despite the substantial financial contributions rental car companies make to the state airports system, improvements of rental car facilities have not been high on the priority list for

repair and improvements. As such, Act 226, Session Laws of Hawaii 2008, (Act 226) was enacted to allow DOT to establish and collect car rental customer facility charges for deposit into a special fund to be used for these improvements.

While Act 226 provided funding to begin the fast-tracking process and for planning and design phases of projects, your Committee finds that the time has come to provide a source of funding that will generate sufficient revenues to fund the approximately \$500,000,000 in car rental facility projects statewide. By increasing the rental motor vehicle customer facility charge, the fast-tracking of these projects can continue, which is predicted to result in construction cost savings of 30 percent to 40 percent and provide much-needed jobs during the economic downturn now gripping the state.

Your Committee has amended this bill by:

- (1) Clarifying that the rental motor vehicle customer facility charge must be used to pay for, or finance on a long-term or other term basis where appropriate, the design, planning, construction, and other uses of the rental motor vehicle customer facility charges;
- (2) Clarifying that DOT may negotiate and contract the management, maintenance, and operations of the facility and related services with one or more airport concessions or their designee that share in the use of a rental motor vehicle customer facility at a state airport;
- (3) Eliminating the collection ceiling of \$483,908,000 and instead allowing for money to continue to be collected as necessary to meet the needs and purposes of the Rental Motor Vehicle Customer Facility Charge Special Fund;
- (4) Providing DOT with sole discretion and greater flexibility in determining the rental motor vehicle customer facility charge;
- (5) Stipulating that the minimum total collections for the charges of \$4.50 per day shall not be lowered by the department for a minimum period of at least 20 years commencing on September 1, 2010, or until such time as necessary to pay any bonds or financial agreements issued or entered into to support or assist in meeting the use or purpose of the Rental Motor Vehicle Customer Facility Charge Special Fund, whichever occurs later;
- (6) Appropriating \$320,000,000 out of the Rental Motor Vehicle Customer Facility Charge Special Fund for fiscal year 2010-2011 for various airport rental car facility projects;
- (7) Including the purchase, or reimbursement for the purchase, of land near the Lihue Airport for purposes of planning, design, and construction of a consolidated rental motor vehicle facility as one of the specified projects; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2370, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 202-10 Public Safety on H.B. No. 247

The purpose of this bill is to improve the health and safety of our communities by establishing the Disaster Preparedness Interagency Task Force to carry out specific duties to mitigate the negative impacts of natural hazards, including the harmful effects of vog.

The Department of Health and Department of Defense opposed this bill. The Department of Education submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 247 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 203-10 Public Safety on H.B. No. 1888

The purpose of this bill is to establish the Office of Disaster Preparedness and the Disaster Preparedness Commission to develop a comprehensive disaster preparedness plan for the state.

The Mayor of the City and County of Honolulu supported the intent of this bill. The Department of Defense opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1888 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 204-10 Energy & Environmental Protection on H.B. No. 2644

The purpose of this bill is to clarify that the solid waste management surcharge currently being charged under Hawaii's Integrated Solid Waste Management law applies to solid waste that is transferred to a solid waste reduction facility within the state including:

- (1) Waste to energy facilities; and

- (2) Facilities that collect solid waste to be shipped out-of-state for disposal.

The Department of Environmental Services of the City and County of Honolulu opposed this bill. The Hawaii Farm Bureau Federation, West County Farm Bureau, and a concerned individual provided comments.

Your Committee notes that although the issue of disposal of animal carcasses was raised by several testifiers, it is clear from current practices and existing law that this bill will not affect such disposal.

Your Committee has amended this bill by:

- (1) Clarifying that, in the case of solid waste being shipped out-of-state for disposal, the person or entity responsible for the preparation for the out-of-state transfer of collected solid waste shall pay the solid waste management surcharge; and
- (2) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2644, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Har and Luke.

SCRep. 205-10 Judiciary on H.B. No. 1808

The purpose of this bill is to preserve safe shoreline access by:

- (1) Requiring landowners in shoreline areas to ensure that public transit beach corridors are passable and free from human-induced, enhanced, or unmaintained vegetation that blocks transit; and
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to require maintenance of public transit corridors by the adjacent landowner and to charge landowners for the cost of removal if the landowner fails to remove an obstruction.

DLNR, the Office of Hawaiian Affairs, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, Waiālae-Kahala Neighborhood Board No. 3, Sierra Club-Hawaii Chapter, North Shore 'Ohana, and several concerned individuals supported this bill. The Office of Planning supported this measure with amendments. Several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Expanding the areas covered under this measure to include all "transit areas and public transit corridors" and removing "lands seaward of the shoreline and in the state conservation district";
- (2) Specifying that a landowner must remove an obstruction within 21 days of DLNR issuing a notice, or incur penalties;
- (3) Clarifying fines for violation and non-compliance;
- (4) Amending the definition of "shoreline" to specify that it's evidenced by the edge of natural vegetation and is never lower than the upper limit of debris from the wash of waves;
- (5) Adding a landowners' failure to maintain vegetation in a public transit area or public transit corridor as a prohibition under the coastal zone management law;
- (6) Changing the effective date to November 1, 2010; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1808, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1808, H.D. 2.

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

SCRep. 206-10 Housing on H.B. No. 2624

The purpose of this bill is to conform planned community association laws with respect to proxies to comparable provisions regulating condominium property regimes.

The Hawaii State Association of Parliamentarians, Legislative Action Committee of the Community Associations Institute, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Adding a provision stating that no developer or owner may cast a vote for any undeveloped unit;
- (2) Changing the options contained on an authorized standard proxy form to remove the option that the proxy be given to:
 - (A) The association board as a whole; and
 - (B) Directors present at the meeting for which the proxy is given;
- (3) Changing the effective date to January 1, 2011, so that planned community associations will have advance notice to update their proxy forms before their 2011 annual meetings; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2624, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Morita.

SCRep. 207-10 Judiciary on S.B. No. 910

The purpose of this bill is to more effectively coordinate and deliver homeless programs and services by transferring the functions and duties of the Homeless Programs Branch of the Hawaii Public Housing Authority (Authority) to the Benefit, Employment, and Support Services Division of the Department of Human Services (DHS).

The Senior Policy Advisor to the Governor, the Authority, DHS, Department of Accounting and General Services, Board of Directors of Housing Hawaii, Partners in Care, Hawaii Family Forum, and Hawaii Catholic Conference supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 910, S.D. 1, H.D. 2.

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

SCRep. 208-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2284

The purpose of this bill is to continue the temporary relief to small business lessees during the current economic recession. Act 189, Session Laws of Hawaii 2009, Clarified burdensome or vague renegotiation provisions in commercial or industrial leases as they relate to the determination of "fair and reasonable" annual rent, without substantial reduction in the lessor's economic or ownership benefits. Specifically, this bill extends the sunset date of Act 189 from June 30, 2010, to June 30, 2015.

The Grace Pacific Corporation; Hawaii Select Investments Inc.; Bacon Universal Company, Inc.; Mutual Plumbing Supply; Big Rock Manufacturing, Inc.; Citizens For Fair Valuation; Servco Pacific, Inc.; Plywood Hawaii; and numerous concerned individuals supported this bill. Hawaii Association of REALTORS, Land Use Research Foundation of Hawaii, and the Pacific Region for Reit Management & Research LLC opposed this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2284 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Tsuji.
(Representative Takai voted no.)

SCRep. 209-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2131

The purpose of this bill is to require retail service stations to provide customers that purchase motor vehicle fuel with free access to potable water.

Legislative Information Services of Hawaii and Western States Petroleum Association opposed this bill. A concerned individual offered comments.

Your Committee notes a recommendation that the law should apply to all retail facilities to avoid market distortions. "Retail station," as used in this bill, is defined in Chapter 486H, Hawaii Revised Statutes, and includes a company retail station, a dealer retail station, and an independent retail station, the three types of retail gasoline dealers regulated under the chapter.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2012, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2131, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Manahan, Tokioka, Tsuji and Wooley.

SCRep. 210-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1944

The purpose of this bill is to allow military personnel deployed outside the state the benefit of canceling or suspending a health club contract under certain conditions.

The Department of Commerce and Consumer Affairs provided comments.

Your Committee finds that while the Service Members Civic Relief Act provides benefits to military personnel deployed on active duty with regard to rental agreements, credit card interest rates, income tax payments, and other matters, it is unclear whether its provisions would also allow a service member to cancel their health club contract. This measure provides this benefit to deployed military personnel.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Tsuji.

SCRep. 211-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2289

The purpose of this bill is to improve Hawaii's gift certificates law by adopting key provisions of the federal Credit Card Accountability, Responsibility, and Disclosure Act of 2009 (federal Act). Specifically this bill:

- (1) Extends the expiration date of certificates from two years to five years; and
- (2) Defines "service fee" to exclude a one-time issuance fee, thus allowing issuance fees to escape the prohibition on service fees under Hawaii law.

Hawaii Credit Union League, American Express, and a concerned individual supported this measure. Hawaii Bankers Association and Retail Merchants of Hawaii supported this bill with an amendment. The Department of Commerce and Consumer Affairs opposed this bill. Legislative Information Services of Hawaii, Inc., opposed this measure in part. VISA commented on this bill.

Your Committee finds that among other things the federal Act extended the expiration date of gift cards to five years. The federal Act applies to plastic gift cards and prepaid electronic cards used over payment networks like Visa and MasterCard, does not apply to paper gift cards, and preempts state laws that provide less protection. Thus federal law has, in effect, already extended the two-year expiration date of Hawaii gift cards other than paper cards, to five years.

In addition, the Hawaii gift card law does not apply to federally chartered banks and savings associations, which are regulated only by federal law. Thus these institutions may sell prepaid electronic cards in Hawaii free of restrictions on service charges under Hawaii's gift card law. However, State-chartered banks are subject to these restrictions.

Upon consideration, your Committee has amended this bill by:

- (1) Providing that the minimum expiration date for paper gift certificates, which are for the most part issued by very small businesses, will continue to be two years;
- (2) Limiting issuance fees to the lesser of 15 percent of the face value of the certificate or \$7.50; and
- (3) Adopting the exemptions for certain kinds of plastic cards that are included in the federal Act to allow both federally chartered and state-chartered institutions to sell prepaid electronic cards in Hawaii without the restrictions of Hawaii's gift card law, thus leveling the playing field between these businesses.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2289, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Tsuji.

SCRep. 212-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1921

The purpose of this bill is to capture taxes on certain conveyances of real property that currently escape the conveyance tax. Specifically, this bill will establish a tax on transfers of real property that occur within the transfer of a controlling interest in a legal entity that owns the real property.

The Department of Taxation supported the intent of this bill. Land Use Research Foundation of Hawaii opposed this measure. Tax Foundation of Hawaii submitted comments.

Your Committee finds that the conveyance tax is imposed each time real property changes title or ownership. However the tax does not apply when the controlling interest in an entity that owns real property is sold, such as a transfer of the stock in an entity that owns real property. This bill seeks to close this loophole and capture these revenues.

Your Committee has amended this bill by:

- (1) Replacing the 1.11 percent tax rate with the conveyance tax rate under section 247-2, Hawaii Revised Statutes;
- (2) Ensuring that the exemptions to the conveyance tax apply to the new controlling interest tax;
- (3) Adding a savings clause; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1921, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Tsuji.

SCRep. 213-10 Judiciary/Consumer Protection & Commerce on H.B. No. 2251

The purpose of this bill is to generate additional general fund revenue to ensure the delivery of critical services statewide by permitting gaming. Specifically, this measure:

- (1) Establishes a gaming commission to oversee casino gaming;
- (2) Allows the newly established gaming commission to issue one five-year license to a casino gaming operation in a county with a population of more than 500,000;
- (3) Prohibits an individual from engaging in an act of gaming unless the individual is at least 21 years of age and is a non-resident of Hawaii or possesses a valid and fully paid round-trip ticket or other voucher for travel to a final destination outside of Hawaii; and
- (4) Creates a wagering tax on casino gaming.

Unity House, Inc.; Kanaka Council-Island of Hawaii; and a concerned individual testified in support of this bill. Capitol Consultants of Hawaii, LLP, and the Libertarian Party of Honolulu supported the intent of this measure. The Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Coalition Against Legalized Gambling, League of Women Voters of Hawaii, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and several concerned individuals testified in opposition to this bill.

Your Committees have amended this bill by:

- (1) Removing the non-resident and plane ticket or travel voucher restrictions on who may engage in gaming; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2251, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2251, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll and Luke.
(Representatives Belatti, Morita, Marumoto and Thielen voted no.)

SCRep. 214-10 Education on H.B. No. 2277

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$30,000,000, for Kaimuki Christian School (KCS), for the planning, construction, improvement, and equipping of its educational facilities.

The Hawaii Association of Independent Schools, KCS, Board of KCS, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by changing the authorized amount of special purpose revenue bonds from \$30,000,000 to \$20,000,000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Manahan and Rhoads.

SCRep. 215-10 Tourism, Culture, & International Affairs on H.B. No. 2417

The purpose of this bill is to protect consumers from deceptive practices of "activity desks" (AD), i.e., entities that act as intermediaries between consumers and the "activity provider" (Provider), the entity that will actually provide the specialized air, land, or sea tour excursions and activities to the consumer by:

- (1) Establishing record keeping requirements for ADS for their client trust accounts (CTAs);
- (2) Requiring the AD to place its registration numbers on any items (such as decals and stickers) that it places on the materials of a Provider;
- (3) Prohibiting ADs from booking or placing a reservation for activities with a Provider until full payment is received, unless the reservation provides for direct payment to the Provider at the time of the activity;
- (4) Specifying that the Provider is the trustee for sums paid to an AD for activities furnished by a Provider and the sums held in trust are for the benefit of the person making the payment and the Provider; and
- (5) With respect to the registration of an AD, eliminating the option of submitting a bond or letter of credit in lieu of providing the account number and name of the financial institution where the trust account is held.

The Activities & Attractions Association of Hawaii, Safari Aviation, Inc., and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the AD is the trustee for sums paid into the CTA;
- (2) Reinstating the provisions that permit the option of submitting a bond or letter of credit to register an AD and increasing the maximum amount of the bond or letter of credit to \$250,000;
- (3) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 216-10 Tourism, Culture, & International Affairs on H.B. No. 2445

The purpose of this bill is to improve Hawaii's tourism industry and the administration of the Hawaii Tourism Authority (HTA) by:

- (1) Authorizing HTA to maintain confidentiality of certain sensitive information;
- (2) Directing HTA to develop program performance goals and targets that can be monitored as market gauges and used as attributes to evaluate their promotions;
- (3) Conforming reporting requirements for contracts or agreements entered into by HTA to current practices; and
- (4) Making permanent statutory provisions that exempted HTA accounts from the supervision of the State Comptroller and authorized the use of up to five percent of moneys in the Tourism Special Fund for administrative expenses.

HTA, the Tourism Liaison, and the Hawaii Hotel & Lodging Association testified in support of this bill.

Your Committee has amended this measure by:

- (1) Requiring that HTA include data on expenditures of contracts granted within the state and out-of-state in its annual report of expenditures submitted to the Governor and Legislature;
- (2) Specifying that the reports on contracts or agreements entered into by HTA be submitted quarterly rather than periodically;
- (3) Changing its effective date to January 1, 2112, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2445, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 217-10 Tourism, Culture, & International Affairs on H.B. No. 2817

The purpose of this bill is to authorize the State Foundation on Culture and the Arts to dispose of works of art owned by the State through a public auction. Proceeds from the sales would be deposited into the Works of Art Special Fund and used to acquire new works of art.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2817, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 218-10 Consumer Protection & Commerce on H.B. No. 2827

The purpose of this bill is to promote the reliability of information that is used for guidance in financial transactions or for accounting for or assessing the financial status or performance of commercial and noncommercial enterprises by requiring public accountancy firms, as a condition for renewals of permits to practice, to undergo peer review on a periodic basis, following the adoption of rules for peer review and firm permits.

The Hawaii Society of Certified Public Accountants and numerous concerned individuals supported this bill. The Hawaii Association of Public Accountants and several concerned individuals opposed this measure. The Board of Public Accountancy submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2827 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 219-10 Human Services/Health on H.B. No. 2155

The purpose of this bill is to protect consumers and ensure the provision of high quality home- and community-based care by establishing standards for the case management industry. Specifically, this bill establishes a code of professional conduct that case management agencies and case managers must adhere to.

The Adult Foster Homecare Association, The Primary Care Providers, and several concerned individuals testified in support of this bill. The Department of Human Services (DHS) opposed this measure. Case Management, Inc., offered comments.

The intent of your Committees is to work toward including private case managers as well as case managers licensed by DHS.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2155 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 220-10 Human Services/Health on H.B. No. 2157

The purpose of this bill is to ensure adequate capacity for provision of long-term care to persons with nursing facility level care needs by increasing capacity limitations from two to three nursing facility level residents in Type I Expanded Adult Residential Care Homes.

The Alliance of Residential Care Administrators and several concerned individuals supported this bill. The Department of Health opposed this measure.

Your Committees have amended this bill by changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2157, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2157, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 221-10 Human Services/Health on H.B. No. 2774

The purpose of this bill is to replace the QUEST program with public assistance programs that were replaced by QUEST, including the State Health Insurance Program, and requiring those previous programs to have similar benefits as QUEST.

The Department of Human Services opposed this bill. The Department of the Attorney General offered comments.

Your Committees note concerns regarding the State's section 1115 waiver of the Social Security Act, which authorizes the approval of Hawaii's QUEST program by the Centers for Medicare and Medicaid Services (CMS). Termination of QUEST would require coordination with and approval by CMS, and it would be difficult to set a deadline for termination.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2774, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2774, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 222-10 Human Services on H.B. No. 2468

The purpose of this bill is to improve the provision of vocational rehabilitation services offered to people who are blind, deaf, hard-of-hearing, or deaf-blind by:

- (1) Establishing a Vocational Rehabilitation Division (VRD) within the Department of Human Services (DHS);
- (2) Placing services for blind and deaf persons under the VRD; and
- (3) Requiring DHS to develop a strategic plan to restructure services to the deaf, hard of hearing, or deaf-blind through a comprehensive service center.

The Disability and Communication Access Board supported this bill with amendments. DHS opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions requiring DHS to develop a strategic plan to provide services to the deaf, hard-of-hearing, or deaf-blind through a comprehensive service center;
- (2) Clarifying that the VRD will supervise and administer vocational-rehabilitation services, including services for persons who are blind or deaf that are not included under Chapter 348, Hawaii Revised Statutes, relating to vocational rehabilitation;
- (3) Requiring that DHS prepare a report to be submitted to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011 that presents the current results of the planning committee working under the DHS's Deaf and Hard-of-Hearing Advisory Board to develop plans for a comprehensive deaf center;
- (4) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2468, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 223-10 Public Safety on H.B. No. 2068

The purpose of this bill is to provide the counties with greater authority in controlling the use of fireworks by allowing the counties to enact or adopt more restrictive fireworks laws.

The Fire Department of the County of Hawaii, Honolulu Police Department, American Lung Association in Hawaii, and several concerned individuals testified in support of this bill. Legislative Information Services of Hawaii testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2068 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

SCRep. 224-10 Public Safety on H.B. No. 2271

The purpose of this bill is to protect the public health and safety by establishing that:

- (1) The manufacturing, selling, transferring, possessing, or transporting of any dry ice bomb in the state is a misdemeanor offense; and
- (2) Knowingly possessing or intentionally using or threatening to use such a device in the commission of a crime is a class C felony.

Legislative Information Services of Hawaii and several concerned individuals testified in support of this bill. The Hawaii Rifle Association testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2271 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

SCRep. 225-10 Health on H.B. No. 2688

The purpose of this bill is to increase the amount that the Environmental Health Education Fund (EHEF) may accumulate before transferring the excess into the general fund; and allow the funds to be used for sanitation programs. This bill also changes the name of the EHEF to the Sanitation and Environmental Health Fund.

A concerned individual testified in support of this bill. The Department of Budget and Finance opposed this measure. The Department of Health provided comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2688 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 226-10 Health on H.B. No. 2170

The purpose of this bill is to ensure a more equitable distribution of taxes among real property owners by requiring the Department of Health (DOH), within six weeks of the last day of each month and at no charge, to provide each county's real property assessment division a list of all persons age 18 and older whose deaths were recorded by DOH during the previous month.

The Mayor of the County of Hawaii, City and County of Honolulu Real Property Assessment Division, County of Kauai Real Property Assessment Division, and County of Maui Real Property Tax Division supported this bill. The City and County of Honolulu Office of the City Clerk submitted Comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2170, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 227-10 Health on H.B. No. 2576

The purpose of this bill is to ensure that all of Hawaii's people are protected from vaccine-preventable diseases by authorizing the Department of Health (DOH) to establish and maintain a single repository of immunization records, the "Hawaii Immunization Registry", to aid, coordinate, and help promote efficient and cost-effective screening, prevention, and control of these diseases.

DOH, the Hawaii Association of Independent Schools, Hawaii Medical Service Association, Hawaii Association of Health Plans, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Kaiser Permanente, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2576, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 228-10 Health on H.B. No. 2096

The purpose of this bill is to improve the quality of care and practice of medicine in Hawaii by requiring that health plans that base coverage for prescription drugs on a drug formulary or prior authorization requirement establish a Drug Formulary Board (Board) to develop a drug formulary.

The Hawaii Medical Association supported this bill. The Hawaii Association of Health Plans opposed this measure. The Department of Commerce and Consumer Affairs (DCCA) and 'Ohana Health Plan submitted comments.

Your Committee has amended this bill by:

- (1) Requiring that the Board develop standards for review that have been approved by a majority of the Board prior to establishing a prescription drug formulary;
- (2) Providing that a doctor of psychiatry may also be selected for placement on the Board;
- (3) Requiring DCCA's Insurance Commissioner to provide administrative oversight to ensure compliance of the insurance plans;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2096, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2096, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

SCRep. 229-10 Health on H.B. No. 2208

The purpose of this bill is to require health insurers to promptly pay claims for services to Medicaid recipients to prevent providers from severe financial difficulties that impact their ability to deliver quality care. Specifically, this bill repeals the exemption for Medicaid claims from the Clean Claims Law.

The Hawaii Primary Care Association, Hawaii Medical Association, Healthcare Association of Hawaii, and Hawaii Pacific Health testified in support of this bill. The Hawaii Medical Service Association opposed this measure. The Department of Commerce and Consumer Affairs, Department of Human Services (DHS), Ohana Health Plan, Kaiser Permanente, and AlohaCare offered comments.

Your Committee has amended this bill by:

- (1) Requiring DHS to pay interest for failing to pay Medicaid health plans in a timely manner; and
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2208, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 230-10 Health on H.B. No. 2350

The purpose of this bill is to clarify certain health insurance industry requirements by excluding limited benefit health insurance from provisions of Hawaii's Accident and Health or Sickness Insurance Contracts Law that are enacted after July 1, 2010, unless the provisions expressly state that they apply.

The American Family Life Assurance Company of Columbus testified in support of this bill. The Department of Commerce and Consumer Affairs, American Council of Life Insurers, and Hawaii Medical Service Association provided comments on this measure.

Your Committee has amended this bill by:

- (1) Including disability, dental, vision, and medicare supplement policies to the list of excluded limited benefit health insurance policies; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2350, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 231-10 Health on H.B. No. 2464

The purpose of this bill is to improve Hawaii's health care system and expedite patient care by allowing pharmacists the authority to administer immunizations to persons at least nine years of age with parental consent.

Walgreen Co. testified in support of this bill. The Board of Pharmacy offered comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 232-10 Tourism, Culture, & International Affairs on H.B. No. 1979

The purpose of this bill is to effectuate its title.

H.B. No. 1979 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture and International Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1979, as amended herein, and recommends that it be recommitted to the Committee on Tourism, Culture and International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1979, H.D. 1.

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

SCRep. 233-10 Tourism, Culture, & International Affairs on H.B. No. 1980

The purpose of this bill is to effectuate its title.

H.B. No. 1980 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1980, as amended herein, and recommends that it be recommitted to the Committee on Tourism, Culture, & International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1980, H.D. 1.

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

SCRep. 234-10 Housing on H.B. No. 165

The purpose of this bill is to effectuate its title.

H.B. No. 165 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 165, as amended herein, and recommends that it be recommitted to the Committee on Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 165, H.D. 1.

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

SCRep. 235-10 Consumer Protection & Commerce on H.B. No. 2360

The purpose of this bill is to promote equitable regulation of intrastate telecommunications services by:

- (1) Clarifying that the Public Utilities Commission (PUC) shall treat retail intrastate services as fully competitive and apply all PUC rules in accordance to this designation; and
- (2) Confirming the obligations to provide services and information services on reasonable terms and conditions between telecommunication carriers.

Hawaiian Telcom supported this bill. Wavecom Solutions and tw telecom opposed this measure. PUC submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2360 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 236-10 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 2618

The purpose of this bill is to assist the development of renewable energy facilities with the process to exempt these facilities from subdivision requirements that presently gives the approving agency 90 days to approve the exemption application, and if on the 91st day, the exemption has not been approved, it is deemed disapproved. Specifically, this bill provides that if on the 91st day, the application is not disapproved, it is deemed approved.

The Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Science and Technology Council; Enterprise Honolulu; Castle and Cooke Hawaii; and a concerned individual testified in support of this bill. The Sierra Club-Hawaii Chapter opposed this measure.

Your Committees have amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2618, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2618, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 237-10 Judiciary on H.B. No. 1862

The purpose of this bill is to remove the sunset date of December 31, 2012, on the prohibition against urinating and defecating in public within the boundaries of downtown.

The Honolulu Police Department, Downtown Neighborhood Board #13, EAH Housing, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Establishing a sunset date of December 31, 2014; and
- (2) Changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1862, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1862, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 238-10 Judiciary on H.B. No. 2397

The purpose of this bill is to ensure compliance with the federal National Defense Authorization Act that requires states to mail absentee ballots to uniformed and overseas voters no later than 45 days prior to federal elections by:

- (1) Moving the date of the primary election to the second Saturday of August; and
- (2) Requiring nomination papers to be filed not later than 4:30 p.m. on the first Tuesday in June of an election year.

The Office of Elections supported this bill. The Campaign Spending Commission submitted comments.

Your Committee has amended this bill by changing the effective date to January 1, 2011.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2397, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2397, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 239-10 Judiciary on H.B. No. 1863

The purpose of this bill is to make permanent Act 192, Sessions Laws of Hawaii 2008, which makes habitual solicitation of prostitution a criminal offense.

The Downtown Neighborhood Board No. 13, EAH Housing, and many concerned individuals testified in support of this bill. The Libertarian Party of Honolulu and American Civil Liberties Union of Hawaii opposed this measure. The Representative from the 28th District commented on this bill.

Your Committee has amended this bill by:

- (1) Establishing a sunset date of June 30, 2012; and
- (2) Changing the effective date to December 21, 2058, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1863, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 240-10 Education on H.B. No. 2077

The purpose of this bill is to clarify the age limits for high school by requiring that:

- (1) No child 19 years old or older be admitted to the 11th grade of a public four-year high school; and
- (2) No child 20 years old or older be admitted to the 12th grade of a public four-year high school.

The Hawaii Disability Rights Center and Autism Society of Hawaii opposed this bill. The Department of the Attorney General offered comments.

Your Committee has amended this bill by replacing the provisions that currently exist in law, as well as the clarifications listed above, with provisions that limit the age of admission to a public school to 20 years of age as of the first instructional day of the school year. An individual that reaches the age of 21 during the remainder of the school year would continue to be eligible for the full school year.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2077, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Manahan and Rhoads.

SCRep. 241-10 Judiciary on H.B. No. 1190

The purpose of this bill is to expedite investigations of fatal traffic accidents to get traffic moving again as quickly as possible by requiring the police department of each county to:

- (1) Identify roadways most critical to free movement of persons and commerce; and
- (2) Establish protocols necessary to coordinate major accident investigations, including notifying the medical examiner in fatal accident cases to investigate simultaneously with the police department.

Several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to facilitate further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1190, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1190, H.D. 1.

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

SCRep. 242-10 Transportation on H.B. No. 2952

The purpose of this bill is to increase traffic safety by establishing a task force on mopeds within the Department of Transportation (DOT) to explore the feasibility of treating mopeds more like motorcycles than bicycles in certain instances.

The Department of Transportation Services of the City and County of Honolulu and a concerned individual testified in support of this bill. A concerned individual supported the intent of this measure. DOT provided comments.

The recent downturn in the economy has resulted in greater numbers of individuals seeking more affordable means of personal transportation. Mopeds are one of the inexpensive transportation alternatives that have experienced an increase in users and owners over the past several years. Although mopeds are motorized devices that are capable of reaching substantial speeds, they are often thought of and treated as nothing more dangerous than a bicycle. Moreover, with increasing technology and after-market products, mopeds are often modified to increase the vehicle's power and speed, posing a safety risk to moped riders, pedestrians, and motorists alike. The creation of a task force to explore the feasibility of treating mopeds like motorcycles may help resolve some of these issues.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2952 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 243-10 Public Safety on H.B. No. 2092

The purpose of this bill is to improve fire safety in Hawaii by providing the State Fire Council (SFC) with administrative staff to further accomplish the SFC's operations and responsibilities by establishing the Reduced Ignition Propensity Cigarette Program Special Fund (Special Fund).

The Coalition for a Tobacco-Free Hawaii testified in support of this bill. The SFC, County of Maui Department of Fire and Public Safety, and Kauai Fire Department supported this measure with amendments. The Department of Budget and Finance submitted comments.

Your Committee notes the SFC's suggested amendment that the remaining balance of the Special Fund lapse into the general fund every three years instead of every year.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2092 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 244-10 Public Safety on H.B. No. 2692

The purpose of this bill is to strengthen public safety on the Leeward Coast by requiring the Director of Civil Defense to:

- (1) Prepare a disaster preparedness plan for the 44th and 45th House of Representatives districts; and
- (2) Submit the Director's findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011.

Many concerned individuals testified in support of this bill. The state Department of Defense opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2692 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 245-10 Agriculture on H.B. No. 2504

The purpose of this bill is to allow nursery stock certification fees to be deposited into the Pest Inspection, Quarantine, and Eradication fund.

The Department of Agriculture (DOA), Hawaii Farm Bureau Federation, and The Nature Conservancy testified in support of this bill.

Your Committee is working with the Committee on Finance to examine all aspects of funding for DOA and will continue to look at alternatives to further maximize fiscal efficiency in the delivery of core services and operations. In light of the severity of current fiscal conditions affecting the State, your Committee further encourages DOA to provide meaningful and detailed input to your Committee, as well as to the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2504 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Manahan.

SCRep. 246-10 Energy & Environmental Protection on H.B. No. 2451

The purpose of this measure is to require priority state and county permitting for net zero energy buildings.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Hawaii Energy Policy Forum; Sierra Club, Hawaii Chapter; Hawaii Renewable Energy Alliance; Hawaii Solar Energy Association; and Blue Planet Foundation.

Your Committee finds that permits for net zero energy buildings are processed in the same manner as for other buildings. However, unlike other buildings, net zero energy buildings promote the growth of energy efficiency and renewable energy in the State. Accordingly, your Committee finds that expediting the permitting process for net zero energy buildings would be an economical incentive for increasing the design and construction of energy-efficient buildings in the State.

Your Committee has amended this measure by:

- (1) Clarifying the definition of a net zero energy building to mean a residential or commercial building that is thirty-five per cent more efficient than the requirements of the 2006 International Energy Conservation Code, as published by the International Code Council; and
- (2) Requiring the State Building Code Council to adopt a prescriptive design alternative for net zero energy buildings by January 1, 2012.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2451, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 247-10 Energy & Environmental Protection on H.B. No. 2522

The purpose of this measure is to exempt specific renewable energy systems from the general excise tax from January 1, 2011, to December 31, 2015.

The Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaiian Electric Company and its subsidiaries, and the Blue Planet Foundation supported this measure. The Tax Foundation of Hawaii provided comments.

Your Committee finds that there is a significant amount of federal funding, both grants and tax incentives, available for renewable energy projects. This measure will help to attract federal funding and jobs in the renewable energy sector by providing a general excise tax exemption for the construction of utility-scale renewable energy facilities built within a five-year period.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption is on the gross proceeds for the sale, installation, servicing, and leasing of a renewable energy system installed between January 1, 2011, and December 31, 2015;
- (2) Clarifying the definition of "renewable energy systems";
- (3) Requiring the Department of Business, Economic Development, and Tourism to certify whether a renewable energy project qualifies for an exemption and to adopt rules for this purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2522, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 248-10 Water, Land, & Ocean Resources on H.B. No. 2907

The purpose of this bill is to require safety helmets for riders of all-terrain vehicles (ATVs) operating within the state park system to prevent injury and death from ATV-related accidents.

The Department of Land and Natural Resources and The Queen's Medical Center testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2907 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 249-10 Water, Land, & Ocean Resources on H.B. No. 2019

The purpose of this bill is to ensure the upkeep and maintenance of important recreational sites for the benefit of residents and visitors by authorizing the Governor to transfer control over Mauna Kea and Hapuna Beach State Recreational Areas to the County of Hawaii.

The Mayor of Hawaii County testified in support of this bill. The Attorney General and Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2019 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 250-10 Water, Land, & Ocean Resources on H.B. No. 2270

The purpose of this bill is to offer the public a fair opportunity at the chance to obtain a recreation-residence use lease for a cabin in certain state parks or forest reserves by changing the selection process for such a lease from a public auction to a lottery.

Several concerned individuals testified in support of this bill. The Department of Land and Natural Resources provided comments.

Your Committee notes that concerns were raised that changing the lease disposition from public auction, in which the highest bid prevails, to a lottery, will potentially result in lower lease rent revenue to the State, and respectfully requests the Committee on Finance to further examine this issue.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2270 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 251-10 Water, Land, & Ocean Resources on H.B. No. 2582

The purpose of this bill is to allow limited moorage for commercial vessels at the Ala Wai and Keehi Boat Harbors. The liveaboard fee is adjusted for recreational vessels and replaces the moorage fee.

The Department of Land and Natural Resources and a concerned individual testified in support of this bill. Numerous concerned individuals opposed this measure. Several concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2582 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 252-10 Water, Land, & Ocean Resources on H.B. No. 2835

The purpose of this bill is to provide for the maintenance of privately owned roads and streams by requiring the Registrar of the Bureau of Conveyances to provide to an adjoining landowner upon request management, control, and title information for any public road, alley, trail, street, way, or other public highway, and any waterway or water course.

The Representatives of the 4th, 5th, 6th, 7th, 21st, and 28th Districts, and many concerned individuals testified in support of this bill. The Department of Transportation and Department of Land and Natural Resources opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2835 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Chong.
(Representatives Ching and Thielen voted no.)

SCRep. 253-10 Water, Land, & Ocean Resources on H.B. No. 2449

The purpose of this bill is to allow for the prompt payment of contractors and design professionals that provide services for the Boards of Water Supply (Boards) by authorizing:

- (1) County officials other than the County Auditor to issue warrants to disburse funds on behalf of the Board; and
- (2) The Board to delegate the disbursement of funds to the Manager and Chief Engineer.

The Kauai County Attorney, Kauai Board of Water Supply, Coalition of Hawaii Engineering & Architectural Professionals, Tomco Corp., Kennedy/Jenks Consultants, Brown and Caldwell, Belt Collins Hawaii Ltd., and Kauai Builders, Ltd. testified in support of this bill.

Your Committee has amended this bill by clarifying that the Board may delegate its power and duties regarding the disbursements of funds to the Manager and Chief Engineer through rules and policies adopted by the Board.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2449, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 254-10 Water, Land, & Ocean Resources/Agriculture on H.B. No. 2689

The purpose of this bill is to expedite the gifting of agricultural irrigation systems to the Department of Agriculture (DOA) while ensuring that the assets of the system being conveyed are adequately described and recorded, and that notice of the conveyance is given to the appropriate county by:

- (1) Exempting the conveyance of an agricultural water system to the Board of Agriculture from county subdivision requirements; and
- (2) Providing for the proper identification of the property, so that it may be recorded with the appropriate authority and notice may be given to the county.

Kamehameha Schools testified in support of this bill. DOA, the Agribusiness Development Corporation, Department of Planning and Permitting of the City and County of Honolulu, and Hawaii Farm Bureau Federation opposed this measure.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2689, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2689, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 255-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2383

The purpose of this bill is to honor prisoners of war and those missing in action by:

- (1) Recognizing the National League of Families' prisoner of war/missing in action flag; and
- (2) Requiring all buildings under the jurisdiction of the State to have the prisoner of war/missing in action flag flown under the United States of America flag, with certain exceptions.

The Chamber of Commerce of Hawaii and several individuals supported this bill.

Your Committee finds that displaying the prisoner of war/missing in action flag along with other legally sanctioned flag standards is a way to show solidarity with the families of loved ones who are prisoners of war or missing in action.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2383 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 256-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1943

The purpose of this bill is to provide services for veterans by requiring the Director of the Office of Veterans' Services to ensure that the remains of deceased veterans found to be indigent at the time of death and without surviving immediate family members are buried in a state veterans cemetery.

The Office of Veterans' Services and Oahu Veterans Council supported this bill.

Your Committee finds that every veteran who served in the United States military deserves a decent burial and military honors if they can be provided. Unfortunately, there are a significant number of veterans with no family to ensure the proper implementation of their final arrangements. This measure seeks to assist those veterans by ensuring recognition of their service in the disposition of their remains.

Your Committee has amended this bill by including cremation services and inurnment in a state veterans cemetery as an option.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1943, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Tsuji.

SCRep. 257-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2058

The purpose of this bill is to remove telecommunication operations as a concession on public property and exempt operations involving the sale of communications or telecommunications from the procurement code.

The Natural Energy Laboratory of Hawaii Authority provided testimony in support of this measure. Hawaiian Telcom provided testimony in opposition to this measure.

Your Committee finds that in 2006, the Board of Land and Natural Resources approved an amendment to the master lease for the Natural Energy Laboratory of Hawaii Authority that waived the Board's sublease approval requirement and delegated this sublease authority to the Authority. The Authority has since subleased land to a tenant to operate a cell tower. The cell tower, however, appears to require the Authority to lease concessions -- a function that is uncertain under the Authority's current powers.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the existing provisions; and
- (2) Inserting a provision to allow the Authority to specifically lease concessions to cell tower operators not only to sanction an on-going practice, but also to allow the Authority to develop several other opportunities with cell tower operators.

Your Committee has also amended the bill by:

- (1) Removing the amendments to the definition of "concession"; and
- (2) Removing the exemption of telecommunication operations from the procurement code.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2058, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 258-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2945

The purpose of this bill is to increase the availability of venture and seed investment capital in a manner that will result in a significant potential to diversify and stabilize the economy of the State.

This measure strengthens the State Private Investment Fund (Fund), a fund using contingent tax credits to obtain operating capital through private loans or investments guaranteed by those credits. The capital is placed in venture capital firms that invest in early-stage, high-potential growth companies to obtain an investment return. Returns are used to offset costs, and any profits accrue to the State.

As received by your Committee this bill amends the Fund by, among other things:

- (1) Establishing a managing board for the Fund;
- (2) Authorizing insurance company tax credits to be used as a fund guarantee;
- (3) Establishing investment limits and guidelines, including a target of 30 percent of investments in Hawaii-based businesses;
- (4) Providing that an unspecified amount of startup costs for the Fund will come from the Hawaii Strategic Development Corporation (HSDC), and subsequently the general fund;
- (5) Requiring an annual independent audit of the Fund;
- (6) Authorizing an unspecified amount of tax credits to be issued, as well as allowing the Fund to incur an unspecified amount of debt; and

- (7) Blanking out limits on the amounts of tax credits that may be used as a guarantee and claimed annually, as well as the first and last dates on which the credits may be exercised.

This bill also requires the board of HSDC to include three members knowledgeable in venture or seed capital investment, investment management, or supervision of investment managers and investment funds.

The High Technology Development Corporation, Hawaii Venture Capital Association, and HSDC supported this bill. The Department of Taxation opposed this measure.

Your Committee finds that this bill creates a financing mechanism that will not use scarce State fiscal resources, but still allows investment capital to be mobilized for Hawaii's high technology, agriculture, aquaculture, creative media, and other emerging industries. The contingent tax credit financing mechanism in this bill allows costs to the State to be deferred for a number of years. Through the Fund investment mechanism, investment returns will offset costs, with the potential that tax credits will never be cashed.

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

- (1) Clarifying that the HSDC is to develop a business plan for Chapter 211G, Hawaii Revised Statutes, administer the tax credits and guarantees, and evaluate and report on the implementation of the chapter;
- (2) Clarifying that the Fund board is to organize the Fund and govern its investment activities;
- (3) Restricting the required tax credit registration system to registration of the initial transfer of credits by HSDC;
- (4) Including the earliest date on which tax credits authorized by the Act may be transferred out of HSDC;
- (5) Defining "Hawaii-based business;"
- (6) Protecting the confidentiality of trade secrets and confidential business information made available to the Fund; and
- (7) Directing that all returns of the Fund exceeding its operating costs and amounts payable to creditors and investors shall be deposited into the general fund.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2945, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Tsuji and Wooley.

SCRep. 259-10 Education on H.B. No. 2423

The purpose of this bill is to implement a new method of budgeting that will save taxpayer money while improving services by requiring the Department of Education (DOE) to use zero-based budgeting principles in formulating the budget for the 2011-2012 fiscal year.

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

Your Committee has amended this bill by:

- (1) Including the 2012-2013 fiscal year in the proposed budget to be prepared by DOE in accordance with zero-based budgeting principles;
- (2) Specifying that the evaluation and ranking of program activities during the budget-planning process is to be based on the required costs of the five highest priority budget items, as follows:
 - (A) Health and safety personnel and services;
 - (B) Legal mandates, settlements, and court orders;
 - (C) Student achievement, which includes the purchase of personnel, goods, and services directly used in the classroom or school;
 - (D) Student support personnel and services; and
 - (E) Critical infrastructure and required personnel;
- (3) Limiting the application of zero-based budgeting principles to programs identified in state and district administration; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2423, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Manahan and Rhoads.

SCRep. 260-10 Transportation on H.B. No. 2605

The purpose of this bill is to make sections 286-207 and 286-209, Hawaii Revised Statutes, conform with Federal Motor Carrier Safety Regulations (FMCSR) to ensure continued federal funding from the Federal Motor Carrier Safety Administration (FMCSA) to Department of Transportation's Motor Vehicle Safety Office by requiring certain vehicles transporting hazardous materials to comply with the state motor carriers safety laws.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

Your Committee notes that if the state's statutes remain incompatible with FMCSR, FMCSA funding will be withdrawn. As a result, the State would have to find alternative means of funding to continue to enforce motor carrier safety laws on commercial motor carriers for everyone's safety on Hawaii's roads.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2605 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 261-10 Consumer Protection & Commerce on H.B. No. 1927

The purpose of this bill is to improve the Owner-Builder Law, which exempts property owners and lessees from contractor licensing requirements for structures they build or improve for their own use. Specifically, this bill:

- (1) Allows owner-builders to sell or lease the property prior to the expiration of the one-year prohibition period following completion of the project in the event of an unforeseen hardship, as determined by the Contractors License Board (Board);
- (2) Exempts from the one-year prohibition period:
 - (A) Improvements with an aggregate value of under \$10,000; and
 - (B) Lenders and mortgagees taking title to property through a non-judicial foreclosure;
- (3) Provides a rebuttable presumption that an owner or lessee is in violation when obtaining an exemption from certain licensing requirements more than once in five years; and
- (4) Defines when a project is completed for purposes of the Owner-Builder Law.

This bill also increases the "handyman exemption" to exclude from contractor licensing requirements, projects or operations with an aggregate contract price of up to \$2,000, rather than the \$1,000 ceiling under current law.

The Hawaii Island Board of Realtors testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Subcontractors Association of Hawaii, Painting and Decorating Contractors Association of Hawaii, Plumbing and Mechanical Contractors Association of Hawaii, and a concerned individual opposed this bill. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, the Board, Building Industry Association of Hawaii, and a concerned individual provided comments.

The contractor licensing law under Chapter 444, Hawaii Revised Statutes, protects the public from the potential dangers of unlicensed contracting activity. This law includes a limited exemption for those who build or improve structures for their own use and who, at the time the exemption is obtained, do not intend to sell or lease the property. The law presumes that an owner-builder violates the terms of the exemption when the property is sold, leased, or offered for sale or lease up to one year after completion of the project.

Your Committee finds there may be instances when owner-builders may need to unexpectedly sell or lease their properties earlier than the one-year period following project completion, particularly in today's faltering economy. This bill attempts to assist owner-builders facing financial or other compelling, unforeseen hardships, while applying safeguards to prevent uses of the owner-builder exemption that circumvent contractor licensing requirements.

Your Committee has amended this bill by:

- (1) Specifying that the exemption from the one-year prohibition period on property sales and leases for improvements under \$10,000 applies to construction or improvements performed pursuant to an approved building permit where the estimated valuation of work to be performed, as reflected in the building permit, is less than \$10,000;
- (2) Eliminating the exemption from the one-year prohibition period for lenders and mortgagees taking title to property through a non-judicial foreclosure;
- (3) With regard to sales or leases of the property prior to the expiration of the one-year prohibition period:
 - (A) Providing that an alleged unforeseen hardship is ineligible if the Board determines that the construction or improvement was undertaken for the purpose of sale or lease;

- (B) Specifying the requirements for owners to apply to the Board for an unforeseen hardship exemption, including the requirement that the application be made prior to the owner's selling, leasing, or offering to sell or lease the property; and
- (C) Requiring the Board to communicate its determination to the owner within 90 days of receiving the application;
- (4) Providing that the rebuttable presumption that an owner or lessee is in violation applies when the owner or lessee obtains an exemption from certain licensing requirements more than once in two, rather than five, years;
- (5) Redefining "completion" of a project under the Owner-Builder Law to mean the date of final inspection approval by the county;
- (6) Eliminating all amendments to the handyman exemption provisions;
- (7) Imposing fines for failure of an owner-builder to comply with the requirements set forth in the disclosure statement provided by the counties to explain the qualifications for the owner-builder exemption. In addition to the qualifications specific to the owner-builder statute under state law, these requirements include compliance with all applicable laws, ordinances, building codes, zoning regulations, and workers' compensation and tax withholding requirements for employees working on the project;
- (8) Changing the effective date to January 1, 2011; and
- (9) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1927, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1927, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 262-10 Consumer Protection & Commerce on H.B. No. 2302

The purpose of this bill is to increase information technology efficiency across state departments and agencies by:

- (1) Relieving the Department of Accounting and General Services (DAGS) from providing centralized computer information management and processing services;
- (2) Transferring those responsibilities to a newly established Office of Information Technology within the Department of Commerce and Consumer Affairs (DCCA) to coordinate information technology policies;
- (3) Establishing the position of Chief Information Officer to head the new Office of Information Technology;
- (4) Establishing a Shared Services Technology Special Fund, providing for its funding, and exempting the fund from certain expenses; and
- (5) Stipulating that attorneys in DCCA assigned to the Regulated Industries Complaints Office (RICO) shall be subject to Hawaii's Uniform Information Practices Act.

The Hawaii Medical Service Association testified in support of this bill. DAGS and the State Department of Defense testified in opposition to this bill. The Department of Education, Department of Budget and Finance, and DCCA provided comments.

Your Committee has amended this bill by:

- (1) Establishing the Office of Information Technology and the position of Chief Information Officer within the Lieutenant Governor's Office;
- (2) Stipulating that the Chief Information Officer shall be appointed by the Lieutenant Governor and shall report directly to the Lieutenant Governor;
- (3) Removing the requirement that attorneys assigned to RICO be subject to the Uniform Information Practices Act; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2302, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.
(Representative Thielen voted no.)

SCRep. 263-10 Human Services on H.B. No. 2565

The purpose of this bill is to ensure a standard of equal treatment of both state and federal governmental benefits by providing a state Lump-sum Death Benefit in an amount equal to the Social Security Administration's (SSA) Lump-Sum Death Benefit for deceased medical or financial assistance recipients who are ineligible for the SSA benefit.

The Department of Human Services supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2565, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264-10 Health on H.B. No. 2089

The purpose of this bill is to maximize the value of health insurance premiums and enable employers and consumers to gain a clear understanding of how health care premium dollars are allocated by health insurers in Hawaii by:

- (1) Requiring health insurers to spend a minimum percentage of insurance premiums on medical expenses; and
- (2) Providing greater transparency with regard to how health insurance premiums are spent by insurers.

The Department of Commerce and Consumer Affairs (DCCA) and the Hawaii Medical Association supported this bill. The Hawaii Medical Service Association and Faith Action for Community Equity supported the intent of this measure. The Hawaii Association of Health Plans opposed this bill.

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

- (1) Excluding from "administrative costs": medical expenses incurred by the insurer, affiliates, and contractors under common management or control in servicing the insured for premiums received;
- (2) Including the affiliates and contractors of health insurers that are under common management or control in servicing the insured under the requirements to spend a minimum percentage of insurance premiums on medical expenses;
- (3) Clarifying that the definition of "premiums" includes the amount of money that the insurer, the insurer's affiliates and contractors under common management or control in servicing the insured earn in a calendar year from the sale of health insurance, net of reinsurance;
- (4) Requiring the DCCA's Insurance Division to collect from health care providers, analyze, and disseminate health care information for use in an annual publication to assist the public in choosing health care providers;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2089, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 265-10 Health on H.B. No. 2575

The purpose of this bill is to provide statutory protection from discovery for multidisciplinary and multiagency quality assurance and peer review committees formed by the Department of Health (DOH) to analyze, evaluate, and improve the statewide trauma system.

DOH, the Healthcare Association of Hawaii, American Medical Response, and The Queen's Medical Center testified in support of this bill. The Hawaii Association for Justice opposed this measure. The Office of Information Practices offered comments.

Your Committee finds that the provisions of the Uniform Information Practices Act, Chapter 92F, Hawaii Revised Statutes (Act), can be applied to information held by DOH that results from the review process and still have disclosure protections that are provided in the Act. Accordingly, your Committee has amended this bill by deleting the language that exempts the information from Chapter 92F.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 266-10 Health on H.B. No. 2801

The purpose of this bill is to appropriate emergency funding to the Hawaii Health Systems Corporation (HHSC) to ensure the availability of critical health care services provided by our public hospital system in the East Hawaii region.

This bill appropriates general funds for fiscal year 2009-2010 to:

- (1) Be deposited into the Health Systems Special Fund for expenditure by the HHSC East Hawaii Regional Health Care System to ensure the continuous delivery of critical health care services and for the payment of HHSC's operational costs; and
- (2) Establish the Big Island Rural Interdisciplinary Program in the East Hawaii region.

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

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2801, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 267-10 Health on H.B. No. 1859

The purpose of this bill is to ensure persons with disabilities are able to receive services related to access to parking for the disabled by increasing the annual vehicle registration fee by \$1, which will be deposited into the Disability and Communication Access Board Special Fund (Fund) to cover the costs of administering parking for persons with disabilities.

This bill also discontinued the deposit of application fees for credentialing interpreters into the Fund and use of Fund moneys to cover the costs of the credentialing program.

The Disability and Communication Access Board and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Budget and Finance and the Department of Customer Services of the City and County of Honolulu submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1859, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 268-10 Health on H.B. No. 2652

The purpose of this bill is to provide consumers of healthcare services with information to help them make more informed decisions by requiring that patients be informed of the amount of radiation exposure to the patient prior to obtaining the patient's consent to an x-ray or computed tomography scan.

The Hawaii Medical Service Association, Hawaii Association of Health Plans, and a concerned individual testified in support of this bill. The Department of Health opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2652, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 269-10 Energy & Environmental Protection on H.B. No. 2237

The purpose of this measure is to expand the existing ethanol facility tax credit to include other liquid biofuels and to enable larger facilities to be eligible for the tax incentive.

Specifically, this measure:

- (1) Changes the ethanol facility tax credit to the biofuel facility tax credit;
- (2) Deletes the maximum limit on a qualified ethanol production facility's nameplate capacity of fifteen million gallons and, instead, allows the credit for the first fifteen million gallons of capacity of each qualifying biofuel production facility;

- (3) Requires the qualifying biofuel production facility to be located within the State and to use agricultural feedstock for at least seventy-five per cent of production output;
- (4) Defines the terms "agricultural feedstock" and "biofuel";
- (5) Amends the definition of:
 - (A) "Investment" to include direct capital expenditures in agricultural infrastructure;
 - (B) "Qualifying ethanol production" by replacing "ethanol" with "biofuel" and limiting feedstock to agricultural feedstock; and
 - (C) "Qualifying ethanol production facility" by replacing "ethanol" with "biofuel" and expanding the grade of fuel produced by the facility from motor fuel grade ethanol to fuel grade biofuel meeting the relevant ASTM specifications for the particular fuel; and
- (6) Deletes the provision prohibiting credits for new ethanol production facilities once the total nameplate capacities of qualifying ethanol production facilities built within the State reach or exceed forty million gallons per year and replaces that provision with:
 - (A) \$12,000,000 in annual credits for ethanol production facilities representing forty million gallons of annual capacity; and
 - (B) A combined maximum of \$12,000,000 of annual credits representing forty million gallons of annual capacity for other biofuels.

Your Committee received testimony in support of this measure from the Department of Taxation, Alexander & Baldwin, Inc., and Hawaiian Commercial & Sugar Co. Hawaii Bioenergy, Blue Planet Foundation, and Hawaiian Electric Company, Inc., and its subsidiary utilities submitted testimony in support and suggested amendments. The Department of Business, Economic Development, and Tourism and RealGreen Power, Inc. expressed concerns and suggested amendments. The Department of Agriculture and the Tax Foundation of Hawaii offered comments.

Your Committee has taken into consideration the various amendments suggested by testifiers and has amended this measure to:

- (1) Change the dollar amount of the credit from thirty per cent of a facility's nameplate capacity to thirty cents per gallon of the nameplate capacity for the first fifteen million gallons;
- (2) Delete the restriction limiting a claim for credit for investments made in the qualifying biofuel production facility to only those made during the credit period;
- (3) Amend the definitions of "biofuel" and "qualifying biofuel production facility" to include fuel that meets specifications for electrical generation;
- (4) Amend the definition of "qualifying biofuel production" to add transesterified, pyrolyzed, or other biochemical or thermochemical conversion methods to the methods required for qualified production and to delete methods "such as reformation and catalytic conversion and dehydrated at the facility";
- (5) Retain the provision prohibiting credits for new biofuel production facilities once the total nameplate capacities of qualifying biofuel production facilities built within the State reach or exceed forty million gallons per year and to delete the provisions allowing:
 - (A) \$12,000,000 in annual credits for ethanol production facilities representing forty million gallons of annual capacity; and
 - (B) A combined maximum of \$12,000,000 of annual credits representing forty million gallons of annual capacity for other biofuels; and
- (6) Make technical nonsubstantive amendments throughout the measure for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 270-10 Energy & Environmental Protection on H.B. No. 2922

The purpose of this measure is to prohibit the disposal of fluorescent and compact fluorescent light bulbs in landfills and waste-to-energy facilities and incinerators in Hawaii.

Testimony in support of the intent of this measure was submitted by Waste Management of Hawaii and the Sierra Club, Hawaii Chapter. Testimony in opposition to this measure was submitted by the Department of Health and the Department of Environmental Services, City and County of Honolulu. Comments were submitted by Covanta Energy Group and Energy Management, Consulting, and Construction, LLC.

Your Committee finds that fluorescent and compact fluorescent light bulbs contain small amounts of mercury that are released into the environment when bulbs are crushed in landfills or during the incineration process. Mercury, even in small amounts, is hazardous and poses a serious threat to human health and the environment. Your Committee finds that prohibiting the disposal of fluorescent and compact fluorescent light bulbs in landfills, waste-to-energy facilities, and incinerators will prevent the release of mercury and encourage the recycling of the reusable components of these bulbs.

Your Committee notes that this measure, as written, could unintentionally impose liability on facilities that unknowingly accept fluorescent and compact fluorescent light bulbs for disposal or incineration. Accordingly, your Committee has amended this measure by:

- (1) Adding a knowledge requirement to the prohibition on the disposal or incineration of fluorescent and compact fluorescent light bulbs;
- (2) Requiring owners and operators of landfills, waste-to-energy facilities, and incinerators to provide written notice of the prohibition to their customers; and
- (3) Making technical non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2922, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 271-10 Transportation on H.B. No. 2215

The purpose of this bill is to eliminate distractions to drivers and increase traffic safety by prohibiting vending on any scenic lookout, pull-off, or turnaround area of a public highway.

The Department of Transportation, County of Maui Police Department, and County of Maui's Department of the Prosecuting Attorney supported this bill. The Department of Land and Natural Resources (DLNR) submitted comments.

Your Committee recognizes the concerns raised by DLNR regarding developing a permitting system to allow vending from scenic lookouts in state parks and respectfully requests the Committee on Judiciary to look further into this issue to ensure that the rights of vendors, drivers, and park visitors are adequately addressed.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2215 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 272-10 Transportation on H.B. No. 2301

The purpose of this bill is to increase efficiency in the construction and maintenance of highways in Hawaii by establishing a pilot project that provides for the transfer of all state highway functions, including the necessary staff and funding, on the islands of Maui, Molokai, and Lanai now being carried out by the State Department of Transportation (DOT) to the County of Maui.

A concerned individual supported this bill with amendments. The Mayor of the County of Maui and DOT testified in opposition to this measure.

Hawaii differs from the rest of the nation in that its unique geographic distinction as an island state does not lend itself to a true intrastate or interstate highway system. This has resulted in a system where the State, through DOT, holds jurisdiction over all federal aid highways while the counties hold jurisdiction to all other roadways and highways. However, this has also resulted in duplicative functions being performed, with both the State and counties sharing overlapping functions for the construction and maintenance of highways. Given the fiscal crisis currently facing the State, it would be prudent to examine the elimination of the duplicative state and county highway functions through the establishment of a pilot project.

Your Committee understands the concerns raised by both the County of Maui and DOT that transferring all state highway functions, including construction of highways, to the County of Maui may not be economically feasible for Maui County and could jeopardize the receipt of federal aid highway funding. However, your Committee notes that according to DOT, transferring highway maintenance functions through a pilot project would not appear to jeopardize such funding. Accordingly, your Committee has amended this bill by:

- (1) Stipulating that the pilot project will only transfer state highway maintenance functions now being carried out by DOT to the County of Maui;
- (2) Deleting language transferring all functions, except for highway maintenance functions, to the County of Maui; and
- (3) Replacing references to the Department of Transportation of the County of Maui to the Department of Public Works of the County of Maui as that is the proper department with jurisdiction over highways.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2301, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 273-10 Water, Land, & Ocean Resources on H.B. No. 2561

The purpose of this bill is to enable the timely and efficient sale and gift of state-owned lands by limiting legislative oversight on these transactions to ceded lands only.

The Department of Land and Natural Resources, Attorney General, Department of Agriculture, Office of Hawaiian Affairs (OHA), University of Hawaii System, Hawaii Public Housing Authority, Building Industry Association-Hawaii, and The Chamber of Commerce of Hawaii testified in support of this bill.

Your Committee notes that Act 176, Session Laws of Hawaii 2009, was enacted in the wake of the United States Supreme Court's decision in *Hawaii v. Office of Hawaiian Affairs*, 129 S. Ct. 1436 (2009) to allow the Legislature to oversee the fee simple transfers of most of the land owned by the State or its agencies, and to exercise that function with knowledge and information provided by both the public and the state departments and agencies selling or giving land to others.

That Act, however, has extended the time State departments and agencies, like the Hawaii Housing Finance and Development Corporation (HFDC), have had to spend performing their statutorily assigned responsibilities. For example, HFDC administers the State's affordable housing and lease-to-fee conversion programs, and land sales are a key aspect of both programs. Additionally, Act 176 has extended the time required to complete capital improvement projects that require land dedications to satisfy federal funding requirements or participate in joint ventures with the counties or private developers.

Your Committee finds, therefore, that passage of this bill will reduce the operational difficulties that many of the state departments and agencies that are required to sell or convey non-ceded lands to others in fee simple have encountered since Act 176 was enacted, without diminishing the purpose for which it was enacted, or affecting ceded lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2561 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 274-10 Water, Land, & Ocean Resources on H.B. No. 1973

The purpose of this bill is to help protect sacred burial sites by amending the state of mind requirement for the offense of desecration of a burial site, from intentional to negligent.

Friends for Waialua Town and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and Department of Parks and Recreation of the City and County of Honolulu opposed this measure.

Your Committee notes that not all disturbances of burial sites are intentional. Unfortunately, the discovery of burials during construction or other excavation for public projects, including laying sewer, utility, and water lines, is not uncommon.

Accordingly, your Committee has amended this bill by limiting the violation to areas that are known to be burial sites.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1973, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 275-10 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 1961

The purpose of this bill is to help maintain Kaho'olawe rehabilitation efforts by requiring ocean recreational activity business operators operating tours at Molokini Island to collect a \$1 surcharge from each customer for each activity tour, to be deposited into the Kaho'olawe Rehabilitation Trust Fund.

The Kaho'olawe Island Reserve Commission testified in support of this bill. The Department of Land and Natural Resources; Ocean Tourism Coalition; Lahaina Divers, Inc.; and a concerned individual opposed this measure. The Kanaka Council Moku O Keawe provided comments.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1961, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1961, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Chong, C. Lee, Morita, Nishimoto and Thielen.
(Representatives Ching and Ward voted no.)

SCRep. 276-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2844

The purpose of this bill is to provide support for the film industry in Hawaii by:

- (1) Creating a Film Industry Branch Special Fund (Special Fund) for the operation of the Film Industry Branch of the Department of Business, Economic Development, and Tourism (DBEDT);
- (2) Requiring DBEDT to charge fees for certain activities of the Film Industry Branch;
- (3) Imposing a general excise tax surcharge on the gross income of motion picture theater operators and television broadcasting stations; and
- (4) Providing for the deposit of the surcharge and fee revenues into the Special Fund.

The Hawaii Film and Entertainment Board supported a portion of the bill and supported the intent of the rest of the bill. A concerned individual testified in support of this bill. The Department of Budget and Finance, HAWAII NOW: KGMB/KHNL, KHON2, and KITV testified in opposition to this measure. The Department of Taxation, DBEDT, Tax Foundation of Hawaii, and Oceanic Time Warner Cable provided comments.

As the creative sector, including film and television, are important economic generators for the State of Hawaii as evidenced by recent film and television productions that have occurred in Hawaii, enhancing the functions of the Film Industry Branch of DBEDT with a dedicated source of funding appears to be prudent at this time.

However, your Committee understands and notes the concerns raised by DBEDT that charges for fees other than permitting or tax incentive application fees would jeopardize Hawaii's membership with the Association of Film Commissioners International which is crucial to the State's ability to conduct business, market Hawaii, and compete with other jurisdictions. Your Committee also understands concerns raised regarding the nexus between the charging of fees for the film office and the cable and television industries.

Your Committee has amended this bill by:

- (1) Increasing the general excise tax surcharge imposed on the gross income of theater operators from .1 percent to .2 percent;
- (2) Exempting television broadcasting stations from the new general excise tax surcharge;
- (3) Allowing gifts, donations, and grants from public or private entities, as well as legislative appropriations, to be deposited into the Special Fund;
- (4) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2844, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Tokioka and Tsuji.

SCRep. 277-10 Transportation on H.B. No. 2708

The purpose of this bill is to require the Department of Transportation (DOT) to develop and implement a documented public involvement process when carrying out the statewide transportation plan.

A concerned individual supported this bill. DOT supported the intent of this measure.

Your Committee finds that our communities may be significantly impacted by the development and implementation of state transportation projects and policies. In light of this issue, your Committee believes that the process established in this measure will help to improve public access to information regarding such projects and policies, as well as afford the public a better opportunity in voicing their thoughts and concerns.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2708 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 278-10 Transportation on H.B. No. 2601

The purpose of this bill is to conform state commercial motor vehicle disqualification and cancelation requirements with federal commercial driver licensing laws.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

Your Committee notes that if the state's statutes remain incompatible with Federal Motor Carrier Safety Regulations, the state could lose approximately \$4,500,000 (or five percent) of federal-aid highway funds for the first year of non-compliance and approximately \$9,100,000 (or ten percent) per year thereafter. Motor Carrier Safety Assistance Program grant funds could also be withheld.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2601 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 279-10 Transportation on H.B. No. 2606

The purpose of this bill is to clarify that category 4 motor vehicles do not include commercial motor vehicles.

The Department of Transportation and the Hawaii Transportation Association supported this bill.

Your Committee notes that this measure will better inform the driving public about the differences between the licensing categories. Operators of category 4 motor vehicles are not required to hold commercial drivers' licenses and are not subject to federal disqualifications that apply to a person holding a commercial driver's license or operating a commercial motor vehicle. This bill is intended to bring greater clarity and consistency when dealing with federal regulations regarding commercial drivers' licenses and other types of driving licenses.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2606 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 280-10 Judiciary on H.B. No. 1205

The purpose of this bill is to propose amendments to the Hawaii Constitution to expressly provide that the legislature may authorize the counties to issue tax increment bonds.

The Department of Budget and Fiscal Services for the City and County of Honolulu testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1205 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 281-10 Health on H.B. No. 2661

The purpose of this bill is to improve the availability of organ donations by:

- (1) Requiring organ procurement organizations and transplant hospitals to procure and transplant medically suitable organs; and
- (2) Imposing administrative fines and loss of accreditation for failure to comply.

A concerned individual supported this bill. The Queen's Medical Center and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions that required organ procurement organizations and transplant hospitals to procure and transplant medically suitable organs and imposed administrative fines and loss of accreditation for failure to comply;
- (2) Establishing that any response other than an express refusal by a person or persons authorized to amend or revoke a decision to make an anatomical gift will prohibit the amendment or revocation of the decision to make an anatomical gift; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2661, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 282-10 Health on H.B. No. 1813

The purpose of this bill is to ensure the continued availability of health care services in Ewa area of the Island of Oahu by providing for the authorization of the issuance of special purpose revenue bonds (SPRB) to assist Hawaii Medical Center, LLC (HMC).

HMC supported this bill.

Your Committee has amended this bill by:

- (1) Deleting provisions that amended part II of Chapter 39A, Hawaii Revised Statutes, relating to assisting not-for-profit corporations that provide health care facilities to the general public;
- (2) Specifying that HMC must obtain not-for-profit status prior to enactment of this bill for the authorization to issue the SPRBs to be effective; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1813, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 283-10 Health on H.B. No. 2917

The purpose of this bill is to require the Department of Health (DOH) to immediately suspend any operation causing a foul or noxious odor, gas, or vapor until DOH can determine the odor, gas, or vapor is not dangerous or injurious to people's health.

The Department of Agriculture, DOH, Alexander and Baldwin, Inc., West County Farm Bureau, Maui Cattlemen's Association, and Hawaii Farm Bureau Federation opposed this bill.

Your Committee has amended this bill to include an exception for farming operations that are protected by the Hawaii Right to Farm Act under Chapter 165, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2917, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 284-10 Health/Human Services on H.B. No. 2085

The purpose of this bill is to help ensure continuity of care for Hawaii's neediest population by establishing limits on requests for proposals from health and human services providers for QUEST contracts.

The Hawaii Primary Care Association, Hawaii Medical Service Association, and AlohaCare testified in support of this bill. Ohana Health Plan opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2085 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 285-10 Health/Human Services on H.B. No. 2090

The purpose of this bill is to ensure that fair compensation is provided to acute care hospitals and long-term care facilities by requiring Medicaid reimbursements to:

- (1) Hospitals for patients occupying acute-care beds who are on a waitlist for long-term care to be at least equal to the rate paid for acute-care services; and
- (2) Long-term care facilities for patients with medically complex conditions to be at least equal to the rate paid for subacute care.

The Hawaii Health Systems Corporation, Hawaii Pacific Health, Healthcare Association of Hawaii, and Kaiser Permanente Hawaii supported this bill. The Department of Human Services opposed this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2090 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 286-10 Health/Human Services on H.B. No. 2087

The purpose of this bill is to help ensure continued medical care to Hawaii's most vulnerable population by exempting QUEST managed care plans from the interest accrual provisions of the Clean Claims Act when delays are caused by nonpayment by the federal or state government.

The Hawaii Medical Service Association and Ohana Health Plan testified in support of this bill. The Healthcare Association of Hawaii and AlohaCare provided comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2087 and recommend that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 287-10 Education on H.B. No. 2267

The purpose of this bill is to require the Department of Education (DOE) to distribute to charter schools on an equitable basis, federal grant or subsidy moneys received by DOE, when charter school enrollment numbers have been used to secure the funding.

The Hawaii Charter Schools Network, Waimea Middle Public Conversion Charter School, Hawaii Technology Academy, and a concerned individual testified in support of this bill. DOE supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2267 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 288-10 Education on H.B. No. 2740

The purpose of this bill is to address the need for additional facilities to provide a quality learning environment by expediting and lowering the costs of school construction. Specifically, this bill directs the Department of Education (DOE) to enter into a financing agreement for the planning and design of the Royal Kunia Elementary School II using certificates of participation.

RKES LLC, and several concerned individuals testified in support of this bill. DOE and the Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hanohano, Manahan, Saiki and Shimabukuro.

SCRep. 289-10 Education/Labor & Public Employment on H.B. No. 2306

The purpose of this bill is to provide the Board of Education (BOE) with more flexibility to establish the salaries of the Superintendent of Education, Deputy Superintendent, assistant superintendents, complex area superintendents, and the State Librarian, by repealing the salary caps on these positions.

BOE and a concerned individual supported this bill. A BOE member provided individual comments.

Your Committees have amended this bill by:

- (1) Adjusting the caps of the salaries of the Superintendent of Education and State Librarian to no more than 150 percent of the salary of the highest paid principal and librarian, respectively, instead of repealing the cap;
- (2) Removing provisions that would have repealed the cap on the salaries of the Deputy Superintendent, assistant superintendents, and complex area superintendents;
- (3) Specifying that the provisions of this measure apply beginning with the 2011-2012 school year; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2306, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Manahan, Shimabukuro, Souki and Yamane.

SCRep. 290-10 Consumer Protection & Commerce on H.B. No. 2897

The purpose of this bill is to allow the Contractors License Board to revoke, suspend, or not renew the license of a contractor who knowingly or intentionally employs a person who is not eligible to work in the United States under federal law to perform work on any project or operation.

The Hawaii Laborers' Union; Hawaii Building and Construction Trades Council, AFL-CIO; and Subcontractors Association of Hawaii testified in support of this bill. The Hawaii Civil Rights Commission opposed this measure. The Contractors License Board offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 291-10 Consumer Protection & Commerce on H.B. No. 2929

The purpose of this bill is to improve veterinary care by including conduct or practice contrary to recognized principles of medical ethics of the veterinary profession, as adopted by the Hawaii Veterinary Medical Association (HVMA) and the American Veterinary Medical Association, as an action subject to revocation or suspension of a veterinary license, a fine, or both.

The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office, Board of Veterinary Examiners, HVMA, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2929 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 292-10 Consumer Protection & Commerce on H.B. No. 2029

The purpose of this bill is to streamline government by:

- (1) Repealing the regulatory programs for marriage and family therapists, dispensing opticians, occupational therapists, athlete agents, hearing aid dealers and fitters, and electrologists; and
- (2) Transferring the responsibility for regulating the occupations of barbering and cosmetology, and speech pathology and audiology, from the regulatory boards to the Department of Commerce and Consumer Affairs (DCCA).

The Board of Barbering and Cosmetology, Hawaii Medical Association, Hawaii Pacific Health, American Physical Therapy Association – Hawaii Chapter, Occupational Therapy Association of Hawaii, and numerous concerned individuals testified in opposition to this bill. DCCA, the Board of Speech Pathology and Audiology, Hawaii Medical Service Association, and American Occupational Therapy Association, Inc., provided comments.

This bill seeks to enhance DCCA's efficiency by deregulating six professions and vocations and eliminating certain boards. Numerous testifiers expressed concerns regarding the potential impact of this bill on the quality of regulated services and consumer protections. Based on this testimony and upon further consideration, your Committee has amended this bill by:

- (1) Restoring the regulatory programs for occupational therapists and dispensing opticians;
- (2) Restoring the Board of Speech Pathology and Audiology;
- (3) Repealing the regulatory program for barbers and cosmetologists; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As amended, this bill now repeals the regulatory programs for:

- (1) Barbers and cosmetologists;
- (2) Marriage and family therapists;
- (3) Athlete agents;
- (4) Hearing aid dealers and fitters; and
- (5) Electrologists.

In addition, the bill as amended no longer transfers regulatory authority from any board to DCCA.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2029, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 293-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2818

The purpose of this bill is to allow each county liquor commission to adopt or amend rules regarding expression or conduct of patrons, which shall include a definition of dancing, in premises with liquor licenses.

Several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2818 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 294-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2434

The purpose of this bill is to expedite the start of construction projects that are beneficial to the state's construction industry and economy by, among other things:

- (1) Authorizing each county to provide a third-party with permit, license, and approval processing review powers;
- (2) Establishing a time limit of a maximum of 45 days for the completion of a review and comment on the effect of a proposed project on historic or culturally relevant properties; and
- (3) Requiring that if a state or county agency has not established a maximum time period to grant or deny a permit, license, or approval then an application will be deemed approved 30 calendar days after submittal.

The Hawaii Building and Construction Trades Council, AFL-CIO; The Pacific Resource Partnership; Castle and Cooke Hawaii; Alexander and Baldwin, Inc.; Building Industry Association of Hawaii; and Land Use Research Foundation supported this bill. The Sierra Club-Hawaii Chapter opposed this measure. The Contractors License Board submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2434, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 295-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2283

The purpose of this bill is to ensure fair and ethical use of local government funds by requiring state and county purchasers to follow ethical principles in matters relating to procurement.

The Hawaii Farm Bureau Federation supported this bill. The Department of Accounting and General Services supported the intent of this measure. The State Procurement Office submitted comments.

Your Committee has amended this bill by:

- (1) Requiring private entities offering goods and services for sale to government purchasers to follow ethical principles in matters relating to procurement; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2283, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 296-10 Human Services on H.B. No. 745

The purpose of this bill is to remove the requirement for the Department of Human Services (DHS) to provide an applicant an initial denial notice giving the applicant at least ten calendar days to provide additional medical evidence when a determination is made that an applicant does not have a qualifying disability.

DHS and a concerned individual testified in support of this bill. The American Civil Liberties Union of Hawaii, Legal Aid Society of Hawaii, National Association of Social Workers, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Including an unspecified appropriation for general assistance to households without minor dependents;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 745, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 745, H.D. 2, and be referred to the Committee on Finance.

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

SCRep. 297-10 Human Services on H.B. No. 2355

The purpose of this bill is to help ensure a socially and fiscally responsible provision of child care cash support by:

- (1) Implementing a \$500 per month per child cap on child care subsidies and reimbursements; and
- (2) Requiring that income eligibility for subsidized preschool care programs be subject to the eligibility criteria in effect on December 31, 2009.

Kauai Independent Daycare Services, Inc. and several concerned individuals testified in support of this bill. Good Beginnings Alliance supported the intent of this measure. The Department of Human Services (DHS) opposed this bill. Several concerned individuals provided comments.

Many families continue to face severe hardship in the current economic climate, leading to an increased strain on state social services. Consequently, your Committee is concerned both about seeming discrepancies in the total appropriation amounts submitted for the program and the manner in which appropriated funds are distributed. For example, according to DHS, approximately 47 percent of the appropriation for child care cash support is expended for "relative care," however, it is unclear what "relative care" actually encompasses.

As such, your Committee respectfully requests the subsequent committee, should it choose to hear this measure, to investigate the expenditure of funds under HMS305, giving particular scrutiny to whether the expenditures within each service type category are proper and consistent with the best interests of both the state and the families being served.

Your Committee has amended this bill by:

- (1) Replacing the amount of the maximum per month per child subsidy or reimbursement with an unspecified amount;
- (2) Adding an appropriation in an unspecified amount for the provision of cash support for child care;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2355, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 298-10 Human Services/Health on H.B. No. 2154

The purpose of this bill is to protect the public health and safety by convening a temporary Health Care Case Management Task Force (Task Force) to:

- (1) Research the quality of care provided by case managers and case management agencies; and
- (2) Ensure that appropriate standards of practice are consistently followed.

A concerned individual supported this bill. The National Association of Social Workers and Catholic Charities Hawaii testified in support of this bill with amendments. The Department of Human Services testified in opposition to this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this bill by:

- (1) Changing the membership of the Task Force from 11 to ten members;
- (2) Removing the Director of Health, Director of Human Services, and the Insurance Commissioner, or their designees as members of the Task Force;
- (3) Including two additional members representing case management agencies one each to be appointed by the Speaker of the House and President of the Senate; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2154, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2154, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 299-10 Human Services/Health on H.B. No. 2160

The purpose of this bill is to require a competency evaluation approved by the Department of Human Services (DHS) for certified nurse aides (CNA), which shall be included as biannual competency evaluation hours and maintenance requirements.

Several concerned individuals supported this bill with amendments. The Adult Foster Homecare Association and The Primary Care Providers supported the intent of this measure. DHS opposed this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committees find that continuing education requirements are important to ensure the health and safety of people being cared for by CNAs. However, it is of great concern to your Committees that while CNAs are required to obtain 24 hours of continuing education credits every two years, registered nurses and licensed practical nurses are not subject to similar requirements. This inequity in the follow-up training required of these critical health care providers should be looked into further and addressed.

Your Committees have amended this bill by:

- (1) Deleting provisions providing that biannual maintenance and continuing education hours required for nurse aides include a competency evaluation approved by DHS;
- (2) Providing that statutory requirements for recertification nurse aides will preempt any other state law to the contrary;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2160, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2160, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 300-10 Human Services/Health on H.B. No. 2260

The purpose of this bill is to restore basic dental benefits for qualified, indigent adults by appropriating out of the general fund and federal fund appropriations for QUEST health care payments, the sums of \$3,100,000 and \$4,200,000, respectively, for fiscal year 2010-2011.

The Hawaii Primary Care Association, Hawaii Dental Hygienists Association, Hawaii Disability Rights Center, and a few concerned individuals testified in support of this bill. The Department of Human Services (DHS) opposed this measure.

Your Committees have amended this bill by:

- (1) Removing the penalty that DHS would have been assessed for not submitting by the deadline its report regarding the delivery of the benefits;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2260, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2260, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 301-10 Human Services/Health on H.B. No. 2467

The purpose of this bill is to assist those who do not qualify for medical coverage under federal medical assistance programs by requiring the Department of Human Services (DHS) to provide specified medical assistance to certain legal, permanent residents.

The Hawaii Primary Care Association; Lawyers for Equal Justice; Hawaii Disability Rights Center; American Cancer Society Hawaii Pacific, Inc.; Catholic Charities Hawaii; Healthcare Association of Hawaii; and several concerned individuals supported this bill. The Consul General of the Republic of the Marshall Islands, Micronesians United-Big Island, and a concerned individual supported this measure with amendments. DHS opposed this bill. The Department of the Attorney General provided comments.

Your Committees emphasize that the intent of this bill is to provide a level of coverage for legal residents and nonimmigrants that is equivalent to that received by United States citizens.

Your Committees have amended this bill by:

- (1) Removing language requiring DHS to provide the indicated services free of charge;
- (2) Including additional cancer treatments under the covered services;
- (3) Clarifying the definition of "covered noncitizen";
- (4) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2467, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2467, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.
(Representative Nishimoto voted no.)

SCRep. 302-10 Human Services/Health on H.B. No. 2978

The purpose of this bill is to help ensure proper service delivery and quality care for those in long term care by creating a uniform set of regulations regarding the administration and licensing of home and community-based residential care homes under the administration of the Department of Human Services (DHS).

The Adult Foster Home Association; Capitol Consultants of Hawaii, LLP; and a concerned individual supported this bill. DHS and the Department of Health (DOH) opposed this measure. Several concerned individuals provided comments.

Your Committees note that Act 132, Session Laws of Hawaii 1998, acknowledged both the growing aged population and growing trend toward home and community-based care by establishing Expanded Adult Residential Care Homes as an alternative to institutionalized care for residents requiring the professional health services provided in an intermediate or skilled nursing facility.

The inclusion of this new type of care home, however, in addition to Community Care Foster Family Homes, which were established by Act 273, Session Laws of Hawaii 2001, as a demonstration project and made permanent by Act 236, Session Laws of Hawaii 2006, contributed to the creation of an overly-complex and inconsistent system under the administration of two separate departments.

Your Committees acknowledge that the complex nature of the array of home and community-based care homes is confusing for families attempting to arrange long-term care for their loved ones in what is often a very short time frame. Your Committees acknowledge, however, that the task of creating a uniform set of standards for these care homes may require additional investigation and coordination. Additionally, your Committees note that this process of standardization should include all stakeholders involved in the system, including the hospitals, to avoid any negative impacts that may arise by allowing the departments to engage this task without additional input.

Accordingly, your Committees have amended this bill by deleting its contents and replacing them with a provision requiring DHS, in collaboration with DOH, to undertake a study of the referral and discharge system to home and community-based care homes, including input from interested stakeholders.

Your Committees have further amended this bill by:

- (1) Requiring Community Care Foster Family Homes with a third patient to employ a nursing assistant or second caregiver; and
- (2) Changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2978, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2978, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 303-10 Energy & Environmental Protection on H.B. No. 2643

The purpose of this measure is to establish a property assessed clean energy bond program to promote renewable energy system and energy efficiency improvements on residential and commercial properties.

This measure authorizes the issuance of general obligation bonds, the proceeds of which will be used to make loans for energy efficiency improvements and renewable energy systems. The loans will be repaid through an ad valorem real property tax upon improved properties within participating counties. The measure also requires the Department of Business, Economic Development, and Tourism to contract with a third party administrator to manage and administer the program and specifies the duties and responsibilities of the third party administrator that the department may establish by rule or order.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaii Building and Construction Trades Council, AFL-CIO, the Blue Planet Foundation, Hawaii Solar Energy Association, and the Sierra Club-Hawaii Chapter. Testimony in support of the intent of the measure was received from the Hawaii Renewable Energy Alliance.

Your Committee finds that this measure will:

- (1) Provide home- and business-owners with access to the upfront capital to invest in energy efficiency installations and retrofits, thereby eliminating a major barrier to broad societal adoption of energy conservation;
- (2) Enable the State to achieve the Energy Efficiency Portfolio Standard enacted in the Regular Session of 2009;
- (3) Displace spending on imported foreign oil, through the energy conservation achieved, thereby keeping hundreds of millions of dollars at home and circulating in the state economy;
- (4) Create economic activity and jobs at a time when Hawaii most needs them;
- (5) Support the growth of a local clean energy business sector; and
- (6) Properly deploy a government facilitation policy and financing advantage that involves no-cost and is a win-win for all.

Your Committee has amended this measure by replacing the property assessed clean energy bond program with a Hawaii clean energy bond loan program. Specifically, your Committee has amended the bill by:

- (1) Replacing the provisions relating to the third party administrator with provisions granting the Director of Business, Economic Development, and Tourism the power to enter into contracts relating to operation of the loan program and authorizing the Department to make those loans;
- (2) Expanding the rulemaking powers of the Department of Business, Economic Development, and Tourism to encompass the new responsibilities assigned to the Department;
- (3) Adding provisions creating a revolving fund to receive the bond proceeds and the loan repayments and to make loans and repay the bonds; and
- (4) Clarifying that the loans are repaid to the revolving fund through special assessments levied by participating counties upon the real property that is improved by the loans and that the loans are secured through liens placed upon those real properties.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2643, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 304-10 Consumer Protection & Commerce on H.B. No. 2637

The purpose of this bill is to ensure that injured workers have access to appropriate care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendations from a board certified or licensed specialist without contest by an insurer or employer.

Hawaii Medical Association, Hawaii Injured Workers Alliance, ILWU Local 142, Hawaii Chapter–American Physical Therapy Association, and a concerned individual supported this bill. The Hawaii Insurers Council supported this bill with amendments. The Department of Human Resources Development and Department of Labor and Industrial Relations opposed this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2637 and recommends that it be referred to the Committee on Finance.

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

SCRep. 305-10 Labor & Public Employment on H.B. No. 1905

The purpose of this bill is to set aside general excise tax revenues to meet previous obligations of the State. Specifically, this bill requires up to:

- (1) \$63,000,000 in state general excise tax revenues to be deposited into a separate account in the general fund to address delayed payments of state contributions to the Employees' Retirement System (ERS) and Hawaii Employer-Union Health Benefits Trust Fund that were not paid for fiscal year 2008-2009; and
- (2) \$275,000,000 in state general excise tax revenues to be deposited into a separate account in the general fund to address delayed payments of state tax refunds that were not paid to balance the supplemental executive budget for fiscal year 2009-2010.

The Department of Budget and Finance and ERS Board of Trustees submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 306-10 Labor & Public Employment on H.B. No. 2533

The purpose of this bill is to ensure fair and equitable conditions under which a state or county retiree may be reemployed by the State or a county by:

- (1) Establishing conditions for reemployment of a retirant in a position that is excluded from the Employee Retirement System (ERS) membership, such as certain temporary or part-time positions, by requiring a six month "retirement" provision;
- (2) Requiring the retirant to reimburse the ERS for any retirement allowance or other benefit paid during the reemployment if in violation of the ERS statutes, plus eight percent annual interest;
- (3) Requiring the retirant and the employer to pay the employee and employer contributions that should have been paid during the reemployment if in violation of the ERS statutes, plus eight percent annual interest; and
- (4) Requiring the employer and retirant to reimburse the ERS for administrative expenses incurred in responding to the violation, to the extent the retirant is determined to be at fault.

ERS and the Hawaii Government Employees Association supported this bill. The Department of Education and United Public Workers opposed this measure.

Your Committee finds that this measure is important to ensure the status of the ERS as a tax-qualified retirement plan is maintained by providing penalties for retirants who are reemployed in violation of Chapter 88, Hawaii Revised Statutes, and the Internal Revenue Code of 1986, as amended.

Your Committee further finds that various conditions in the recent past, including low unemployment, along with retirement, made it difficult for the counties and State to meet their workforce demands. With an aging baby boomer generation expected to lead to increasing numbers of employees retiring, this problem was only expected to worsen. Allowing counties and the State to re-hire retirees to work in government was intended to help resolve the problem until workforce numbers increased and at the same time would allow for experienced individuals to pass on their knowledge and skills to newly hired personnel. However, the ERS had several concerns with such actions, including the necessity for employers to continue to make retirement contributions and the incorporation of a waiting period prior to the rehiring of an employee to prevent perceived "double dipping" by a retiree who would be receiving a salary and retirement benefits by being rehired. Your Committee finds that this measure addresses ERS's concerns and allows the State and counties to address workforce demands in a fair way.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2533 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Takumi and Pine.

SCRep. 307-10 Labor & Public Employment on H.B. No. 2538

The purpose of this bill is to switch the payments of Employees' Retirement System (ERS) benefits from a semi-monthly mailed paper check basis to a monthly basis by direct deposit to save in postage, printing, and bank fees.

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

Your Committee notes that passage of this bill will streamline the processing of ERS pension payments. 25,700 out of 38,000 pensioners and beneficiaries would be paid monthly rather than semi-monthly. Additionally, 1,400 would change to direct deposit into a financial institution instead of receiving paper checks. These changes will result in cost savings and increase ERS' investment earnings.

However, your Committee also notes the concerns raised that the changing of payment methods to retirees may present a financial burden to older retirees. Therefore, the ERS is strongly encouraged to clearly inform those affected by these changes well in advance of the change.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2538 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Pine.
(Representative Souki voted no.)

SCRep. 308-10 Labor & Public Employment on H.B. No. 2711

The purpose of this bill is to change the amount of federal Reed Act moneys appropriated to the Department of Labor and Industrial Relations (DLIR) through Act 190, Session Laws of Hawaii (SLH) 2006, as amended by Act 123, SLH 2007, as follows:

- (1) Allocating an unspecified amount of funds to each of the workforce investment boards on the islands of Oahu, Maui, Kauai, and Hawaii;
- (2) Allocating an unspecified amount of funds to be used by the Workforce Development Council to support statewide workforce development activities; and
- (3) Deleting the allocation for administrative expenses.

DLIR testified in opposition to this bill.

Your Committee understands the concerns raised by DLIR regarding the solvency of the Unemployment Insurance Trust Fund (Fund) due to the current strain of high unemployment benefit payouts from the Fund, even without other expenditures from it.

However, at this time when Hawaii is experiencing high rates of unemployment, your Committee finds that efforts to improve the skills of Hawaii's workforce and the additional resources provided through the use of Reed Act funds will go a long way toward ensuring a much-needed strong workforce. Thus, your Committee believes the provisions of this bill deserve further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2711 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Pine.

SCRep. 309-10 Labor & Public Employment on H.B. No. 2460

The purpose of this bill is to streamline government by:

- (1) Converting the Department of Human Resources Development (DHRD) from a principal state department to a division of the Department of Labor and Industrial Relations (DLIR); and
- (2) Transferring the Commission on Salaries and Board of Trustees of the Deferred Compensation Plan to the Department of Accounting and General Services (DAGS).

DLIR, DHRD, DAGS, the Department of the Attorney General (AG), Department of Budget and Finance, and United Public Workers opposed this bill.

Your Committee notes that a number of concerns were raised with regard to the departmental reorganization proposed in this measure. In particular, the AG noted that the transfer would result in a conflict of interest relating to workers' compensation claims processed by the Employee Claims Division (ECD). Nonetheless, given the current fiscal condition of the State, your Committee believes that this measure deserves further consideration as a means of streamlining government and saving costs.

Your Committee has amended this bill by:

- (1) Transferring ECD from DHRD to DAGS, to address the concerns of the AG; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2460, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Takumi and Pine.

SCRep. 310-10 Labor & Public Employment on H.B. No. 2493

The purpose of this bill is to improve the vocational rehabilitation system by returning injured workers to the active labor force as quickly as possible while maintaining protections for them. Specifically, this bill, among other things:

- (1) Requires that an injured worker who is not permanently disabled but suffers from permanent work restrictions receive only direct placement services;
- (2) Expands the duties of the Vocational Rehabilitation Unit of the Department of Labor and Industrial Relations (DLIR) to enforce prompt compliance with the requirements of the vocational rehabilitation system;
- (3) Requires the initial evaluation report of an employee to contain an assessment of an employee's work capabilities;
- (4) Stipulates that if the information required in an initial evaluation report is not provided by the treating physician within 30 days of the injured worker's selection of a provider, information from another physician shall be accepted;
- (5) Establishes time limitations for the provision of vocational rehabilitation services;
- (6) Suspends vocational rehabilitation services if an injured worker suffers an intervening medical condition that renders the injured worker totally disabled until the injured worker is cleared to return to work;
- (7) Allows employers to terminate temporary total disability benefits when the employee is able to return to usual and customary work and is enrolled in a vocational rehabilitation plan that has not been approved by the Director of DLIR; and
- (8) Allows any party to request a review of the vocational rehabilitation program if it is determined that no progress is being made to establish a viable vocational rehabilitation plan and requires the vocational rehabilitation unit to respond to the request within 30 days.

Hawaiian Airlines, Kessner Umabayashi Bain & Matsunaga, and several concerned individuals testified in support of this bill. The Hawaii Insurers Council, John Mullen & Co., Inc., and a concerned individual supported this bill with amendments. DLIR; ILWU Local 142; Hawaii Injured Workers Alliance; Vocational Management Consultants, Inc.; International Association of Rehabilitation Professionals-Hawaii Chapter; and numerous concerned individuals opposed this measure.

The purpose of vocational rehabilitation is to provide timely and efficient vocational rehabilitation services to facilitate an injured employee's return to meaningful and gainful employment. However, claims have been made that instances exist where vocational rehabilitation plans are taking an extraordinary amount of time to develop, delaying the process of returning an injured worker to gainful employment. This measure attempts to address this issue.

However, your Committee notes the many concerns raised by opponents of the measure that establishing regimented and arbitrary timelines that determine when an injured employee should return to work only serve as a detriment to an injured worker's recovery. Nevertheless, this measure deserves further consideration.

Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that simply allows the Director of DLIR, at the Director's discretion, to issue a directive to the vocational rehabilitation provider if the director determines that no progress is being made to establish a viable vocational rehabilitation plan based upon the available file documentation and provided that the case remains pending before the director.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2493, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Takumi and Pine.

SCRep. 311-10 Labor & Public Employment on H.B. No. 2823

The purpose of this bill is to ensure fair compensation is provided to workers employed on public projects by clarifying that services to be rendered are performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work in the State of Hawaii.

The United Public Workers and the Hawaii State AFL-CIO supported this bill. The Department of Public Safety and Goodwill Industries of Hawaii, Inc. opposed this measure.

Your Committee finds that projects using taxpayer money to fund them should meet the highest standards of fairness, especially in the area of providing adequate compensation to the workers employed on such a project. This bill ensures that contractors will be held to standards providing for wages equal to those paid in the State of Hawaii for employees of the contractor even for contracts for services provided out of state.

Your Committee has amended this bill by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2823, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Pine.

SCRep. 312-10 Labor & Public Employment on H.B. No. 2855

The purpose of this bill is to work towards reducing the unfunded actuarial accrued liability (unfunded liability) of the Employees' Retirement System (ERS) by requiring the ERS Board of Trustees to study and recommend a plan to fully amortize the unfunded liability over a 30 year period.

ERS supported the intent of this bill. The Department of Human Resources of the City and County of Honolulu provided comments.

Currently, the unfunded liability of the ERS is approximately \$5.1 billion. Developing and implementing a plan, as well as solutions, to amortize this unfunded liability would be a worthwhile endeavor and also will help protect future taxpayers from facing an unaffordable burden.

However, your Committee understands the concerns raised by ERS that the timeframe contained in this measure may not be conducive to their providing a comprehensive review and evaluation of the unfunded liability issue and that employees should not be responsible for unfunded liability costs incurred as a result of certain actions of employers.

Your Committee has amended this bill by:

- (1) Extending the timeframe for submittal of an amortization plan and enabling legislation by one year to 2012;
- (2) Stipulating that any cost of amortizing the unfunded liability that is a result of the diversion of the excess investment earnings of the ERS shall be borne solely by the employers; and
- (3) Deleting language outlining the consequences of inaction by the Legislature to enact legislation adopting an amortization plan.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2855, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Pine.

SCRep. 313-10 Water, Land, & Ocean Resources/Housing on H.B. No. 2845

The purpose of this bill is to support the Hawaii Housing Finance and Development Corporation's (HHFDC's) mission of providing workforce and affordable housing, by exempting the fee simple resale of individual dwellings repurchased or foreclosed on by HHFDC, from the requirements of section 171-64.7, Hawaii Revised Statutes (HRS), on transfers of public lands.

HHFDC testified in support of this measure.

Section 171-64.7, HRS, currently requires HHFDC to:

- (1) Hold an information meeting in the community in which land is located;
- (2) Submit a concurrent resolution to the legislature including specified information about the proposed land sale; and
- (3) Obtain legislative approval of the transfer by at least two-thirds majority vote in each house.

Your Committees find that exempting HHFDC from these requirements will save the State from incurring costly expenses of upkeep and maintenance of homes held by HHFDC that accrue until legislative approval is obtained.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2845 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 314-10 Education/Labor & Public Employment on H.B. No. 2486

The purpose of this bill is to increase the amount of quality time students spend in the classroom, especially in light of the State's furlough situation, by establishing a minimum number of instructional hours per school year for each grade level.

The Hawaii Association of Independent Schools, Ho'okako'o Corporation, and a concerned individual testified in support of this bill. The Hawaii Technology Academy supported the intent of this measure. The Department of Education opposed this bill. The Department of the Attorney General, Office of Collective Bargaining, Hawaii State Teachers Association, and a concerned individual offered comments.

Your Committees have amended this bill by requiring its provisions to take effect beginning with the 2011-2012 school year, rather than the 2010-2011 school year.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2486, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2486, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Manahan, Shimabukuro and Souki.

SCRep. 315-10 Transportation on H.B. No. 2574

The purpose of this bill is to improve the administration of the parking program for persons with disabilities by, among other things:

- (1) Designating the Disability and Communication Access Board (DCAB) as the issuing agency for removable windshield placards, temporary removable windshield placards, special license plates, and identification cards;
- (2) Removing specific references to the counties as the issuing agency while maintaining DCAB's flexibility to contract with the counties to issue removable windshield placards, temporary removable windshield placards, special license plates, and identification cards on DCAB's behalf;
- (3) Allowing counties to retain any transaction fees charged for the issuance of placards, license plates, and identification cards;
- (4) Extending the expiration date of removable windshield placards from four to six years;
- (5) Providing for the issuance of a second removable windshield placard or temporary removable windshield placard upon request of the applicant; and
- (6) Removing the reimbursement rate to the counties from statute and placing it into administrative rules.

The Department of Health and Policy Advisory Board for Elder Affairs testified in support of this bill. The State Council on Developmental Disabilities and Department of Customer Services of the City and County of Honolulu (DCS) supported the intent of this measure.

DCAB currently administers and has overall responsibility for the coordination of the parking program for persons with disabilities. While the counties have been issuing parking placards, license plates, and identification cards on behalf of the State, specifying that DCAB is the issuing agency for these items and may contract with the counties to provide this service on behalf of the State more accurately reflects the federal law requirements for this program.

In the past, reimbursement rates to the counties for their role in the program were statutorily established, and the fees the counties collected for transactions in issuing placards, license plates, and identification cards were remitted to the general fund. This measure simplifies the accounting process.

Finally, your Committee finds that extending the expiration date of the removable windshield placard from four to six years will be a cost savings measure for DCAB while maintaining the integrity of the program. This will also be beneficial to persons with disabilities in that they would have a longer period of time before having to renew their placard.

However, your Committee understands the concerns raised by DCS that the bill may be misconstrued as eliminating the State's obligation to reimburse the counties for their services. Accordingly, your Committee has amended this measure to clarify that the State shall reimburse the counties for issuing the removable and temporary removable windshield placards, license plates, and identification cards on the State's behalf.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2574, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2574, H.D. 2.

Signed by all members of the Committee except Representatives M. Lee, Rhoads, Saiki and Pine.

SCRep. 316-10 Transportation on H.B. No. 2604

The purpose of this bill is to improve the integrity and security of State-issued driver licenses and identification cards by aligning State law with the requirements of the REAL ID Act. Specifically, this bill extends the maximum term of a commercial driver's license (CDL) for persons 21 years through 71 years of age, from six years to eight years.

This bill also appropriates \$8,000 out of the State Highway Fund to implement the extension.

The Department of Transportation, City and County of Honolulu, and Hawaii Transportation Association testified in support of this bill.

Your Committee notes that the intent of the proposed change is to prepare for the REAL ID Act, which is a nationwide effort to improve the integrity and security of State-issued driver licenses and identification cards with the objective of fighting terrorism and reducing fraud. The validity period for a REAL ID driver license cannot exceed eight years.

Your Committee has amended this bill by:

- (1) Clarifying that the two-year term for older drivers does not apply to licenses that are suspended or canceled, as well as revoked; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 317-10 Transportation on H.B. No. 2296

The purpose of this bill is to protect the public from persons convicted of committing manslaughter or negligent homicide as the result of operating a motor vehicle by:

- (1) Clarifying that the required driver's license revocation for drivers convicted of manslaughter is a lifetime revocation; and
- (2) Mandating a license revocation of not less than five years but not more than ten years for drivers convicted of negligent homicide in the first degree.

The Department of Transportation, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, and MADD Hawaii testified in support of this bill.

Your Committee finds that lifetime driver's license revocation is justified when a driver's reckless conduct results in the death of another person and will both protect the public from these drivers and serve as a deterrent.

The bill also provides for a license revocation of five to ten years for drivers convicted of committing negligent homicide in the first degree while operating a motor vehicle. To make this tiered system of license revocation penalties more comprehensive, your Committee has amended this bill by adding a lesser term of revocation for drivers convicted of negligent homicide in the second degree, under which drivers have their licenses revoked for two to five years.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2296, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 318-10 Consumer Protection & Commerce on H.B. No. 2639

The purpose of this bill is to protect the health and safety of amateur contestants in mixed martial arts (MMA) contests. Specifically, this bill:

- (1) Regulates amateur MMA by placing it under the regulation for MMA enforced by the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allows DCCA to delegate the supervision of amateur MMA to a recognized amateur MMA association; and
- (3) Requires all amateur MMA contestants to pass a physical examination conducted by a license physician prior to engaging in a MMA contest.

DCCA testified in support of this bill. The Hawaii Association of Mixed Martial Arts opposed this measure.

Your Committee notes that while regulation is expanded under this measure to include amateur MMA contests and contestants, there are no corresponding fee increases in this bill to fund this increased oversight and respectfully requests the Committee on Finance to take this matter under consideration.

Your Committee has amended this bill by:

- (1) Clarifying that amateur MMA contests shall not offer monetary compensation and stipulating that contestants in these contests are at least 18 years of age and accordingly, redefining the terms "amateur mixed martial arts contestant" and "amateur mixed martial arts contest";
- (2) Providing a definition for "professional mixed martial arts contestant";
- (3) Stipulating that amateur MMA contests are also considered MMA contests by definition;
- (4) Removing the current statutory requirement that a promoter of an MMA contest be solely responsible for the expense of providing a medical report of each contestant to the Director of DCCA prior to the contest;
- (5) Removing the current statutory requirement that an MMA contest be under the control of a licensed referee with at least one year of experience in refereeing an MMA match;
- (6) Repealing or lowering event fees that are charged to a MMA promoter;

- (7) Requiring individuals to be at least 18 years of age to apply for a license as a professional MMA contestant;
- (8) Repealing additional surcharge fees charged for the license renewal of MMA promoters; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2639, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 319-10 Consumer Protection & Commerce on H.B. No. 2939

The purpose of this bill is to aid those who may need assistance as they age by requiring the Long Term Care Commission (Commission) to review the feasibility of establishing a long term care insurance fund to assist residents who would not otherwise qualify for any government or private long term care insurance. This bill also requires the Commission to recommend appropriate funding mechanisms and provide a report to the Legislature by September 30, 2010.

A concerned individual provided comments.

Your Committee has amended this measure to ensure that long term care insurance is only one of the funding options that the Commission is to consider.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2939, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2939, H.D. 2.

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

SCRep. 320-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2631

The purpose of this bill is to facilitate effective energy planning by establishing the Energy Industry Monitoring and Analysis Program (Program) within the Department of Business, Economic Development, and Tourism to collect energy data and information to achieve the State's energy policies, programs, and plans. The Program would assume responsibilities for certain energy industry data collection currently required of the Public Utilities Commission (PUC) under the Petroleum Industry Information Reporting Act (Reporting Act).

The Department of Budget and Finance and the Western States Petroleum Association provided comments on this bill.

Your Committees have amended this bill by replacing its entire contents with that of H.B. No. 2287. As amended, this bill now repeals:

- (1) Oil industry reports required to be filed with PUC under the Reporting Act; and
- (2) PUC duties under the Reporting Act to analyze and publish annual summaries on the information from oil industry reports, including the PUC's Petroleum Industry Monitoring, Analysis, and Reporting Program.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2631, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 2631, H.D. 1.

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

SCRep. 321-10 Transportation on H.B. No. 2667

The purpose of this bill is to establish a transportation alternative for the interisland transport of individuals and property. Specifically, this measure establishes:

- (1) A Hawaii State Ferry System Authority (Authority) to provide and oversee a statewide ferry service for the transportation of people and cargo between islands; and
- (2) A Hawaii State Ferry System Special Fund to be used by the Authority to operate a statewide ferry system.

The Hawaii Laborers' Union and several concerned individuals testified in support of this bill. A concerned individual testified in support of this measure with amendments. The Department of Transportation (DOT); Department of Budget and Finance; Young Brothers, Limited; and a concerned individual provided comments.

Hawaii is a unique state made up of a chain of islands with major population centers on six of the eight main islands. The fact that the islands of Hawaii are separated by large bodies of water makes interisland transportation difficult. Unlike jurisdictions on the continental United States, Hawaii does not enjoy the benefits of being linked to other states, towns, or cities via the federal interstate highway system or a network of interconnected state and local highways. Hawaii's highway system is its waterways, mainly for the transport of cargo via barge, and its skies, mainly for passenger transport via two major

interisland airlines and several smaller commuter operations. Establishing an alternative form of transportation between islands, particularly a ferry system capable of carrying passengers, cargo, and automobiles, would fill a missing link in the transport of persons and property between the islands of the state.

However, your Committee notes the concerns raised that establishing such a ferry system, particularly one operated by the State, may be premature especially in light of the recent foray of a private entity into the establishment of a high-speed interisland passenger, automobile, and cargo ferry operation in Hawaii. Accordingly, your Committee has amended this bill by deleting its substantive contents and replacing it with language that requires DOT to:

- (1) Conduct a study of the feasibility of establishing a statewide ferry system and Authority to operate such a ferry system; and
- (2) Report its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2011 Regular Session.

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

While your Committee understands and notes the concerns raised by Young Brothers as to the validity of some of the claims contained in the preamble of this measure with regard to interisland cargo transport, these issues can be further researched and language amended as the bill makes its way through the legislative process.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2667, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 322-10 Judiciary on H.B. No. 2583

The purpose of this bill is to clarify that the owner of the vessel shall be responsible for all costs and expenses associated with the disposal of an unauthorized vessel in a state small boat harbor or offshore mooring area impounded by the Department of Land and Natural Resources (DLNR) instead of placing the burden on DLNR.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583 and recommends that it be referred to the Committee on Finance.

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

SCRep. 323-10 Judiciary on H.B. No. 2250

The purpose of this bill is to enact The Uniform Child Abduction Prevention Act, which was designed to determine the risk of a child being abducted by a parent, and which attempts to prevent it by having a judge issue an abduction prevention order. The abduction prevention order could limit travel, restrict visitation, or begin criminal proceeding against the respondent.

The Hawaii Family Forum, Roman Catholic Church in the state of Hawaii, and Hawaii's Uniform Law Commissioners testified in support of this bill. Hawaii State Coalition Against Domestic Violence and numerous concerned individuals opposed this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2250, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Luke.
(Representatives Marumoto and Thielen voted no.)

SCRep. 324-10 Judiciary on H.B. No. 2935

The purpose of this bill is to protect employees by making it an unlawful practice for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee legitimately uses accrued and available sick leave.

The Hawaii State AFL-CIO, International Brotherhood of Electrical Workers Local Union 1260, International Brotherhood of Electrical Workers Telephone Local Union 1357, ILWU Local 142, Hawaii Government Employees' Association, Hawaii Laborers' Union, and several concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations; Department of Human Resources Development; Judiciary; Department of Human Resources of the City and County of Honolulu; Society for Human Resource Management–Hawaii Chapter; National Federation of Independent Business; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Limited; The Chamber of Commerce of Hawaii, Hawaii Credit Union League, and Hawaiian Telcom opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying that the legitimate use of accrued and available sick leave shall be:
 - (A) Limited to negotiated sick leave; and

- (B) Used in accordance with the employer's attendant and negotiated sick leave policies, except for the abuse of sick leave;
- (2) Stipulating that this prohibition does not apply to instances where an employee is unable to fulfill the essential job functions or requirements of the employee's position because of the use of sick leave;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2935, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2935, H.D. 2.

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

SCRep. 325-10 Judiciary on H.B. No. 2599

The purpose of this bill is to provide for the mandatory assessment of administrative costs associated with investigating tax crimes where a taxpayer is convicted of a tax offense or has a conviction deferred.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2599, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 326-10 Judiciary on H.B. No. 2000

The purpose of this bill is to provide the Judiciary with the supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2009-2011 by amending the Judiciary Appropriations Act of 2009.

The Judiciary testified in support of this bill and reiterated testimony presented to the Committee during the January 20, 2010, informational briefing regarding the effects of budgetary cuts on services to the public.

While mindful of the State's economic condition, your Committee is concerned that across-the-board budgetary cuts to the Judiciary's budget that do not take into account unintended consequences may result in similar problems to those currently facing the Department of Education with regard to lost educational days for students due to "furlough Fridays."

Testimony from the Judiciary relating to the effects of budget reductions with respect to its "specialty courts" was very insightful.

The yearly cost for 387 adult inmates in the Adult Drug Courts is \$3.1 million. The yearly cost to incarcerate these same inmates is \$19,634,445 (\$139 per day, per inmate or \$50,735 per year, per inmate).

The yearly cost for 65 youth offenders in the Juvenile Drug Courts is about \$1 million. The yearly cost to incarcerate these same juveniles would be some \$6,595,550 (cost of Hawaii Youth Correctional Facility at \$278 per day, per offender or \$101,470 per year, per offender).

Hawaii's Opportunity Probation with Enforcement ("HOPE") court costs the State an average of \$1.82 per day of supervised probation, while incarceration costs \$139 per day. The cost to transfer all 1,483 active probationers in the HOPE program to incarceration would be about \$75.2 million.

According to the Judiciary, in addition to providing the State with significant savings, these specialty courts and their related programs are effective in markedly reducing recidivism for the individuals who complete their programs.

The Judiciary testified that it would require an additional \$1.3 million to restore funding and seven positions for the specialty courts, an additional \$1.6 million to restore funding for purchase-of-services contracts to deal with domestic violence, an additional \$160,000 in purchase of service contracts for the Maui/Molokai Drug Court (\$90,000), Girls' Court (\$60,000), and Oahu Family Drug Court (\$10,000).

Your Committee has decided not to increase the Judiciary's supplemental budget request with an additional \$2.9 million to restore full funding and services to the specialty courts and domestic violence programs, because it believes that your Committee on Finance is better suited to address this request and appropriately determine if there are sufficient funds available to restore these specialty courts and programs.

Your Committee has amended the bill by changing the effective date to December 21, 2058, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2000, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 327-10 Housing on H.B. No. 2895

The purpose of this bill is to allow a court supervised sale for homeowners who successfully appeal a sales price obtained through non-judicial foreclosure proceedings.

Legal Aid Society of Hawaii and a concerned individual testified in support of this bill. Hawaii Bankers Association supported the intent of this measure. Hawaii Financial Services Association opposed this bill. Hawaiian Alliance, LLC, provided comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2895 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

SCRep. 328-10 Housing on H.B. No. 165

The purpose of this measure is to require the Department of Taxation to conduct a review of all housing tax credits offered and issued by any state agency.

Your Committee received testimony from a private citizen.

Upon further consideration, your Committee has amended the measure by deleting its contents and inserting provisions to require full disclosure of all persons or businesses qualifying for an exemption from general excise taxes for housing projects certified by the Housing Finance Development Corporation and the Department of Taxation. The measure was also amended to require an annual report to the Legislature including an annual and cumulative record of tax exemptions claimed.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 165, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 165, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

SCRep. 329-10 Consumer Protection & Commerce on H.B. No. 2783

The purpose of this bill is to support Hawaii's visitor and real estate industries by:

- (1) Making the general excise tax exemptions for condominium submanagers, suboperators, and timeshare associations permanent; and
- (2) Specifying that the \$400,000 aggregate cap on these exemptions is based on the taxable amount due and not the gross receipts, and applies only to amounts due prior to January 1, 2008.

Outrigger Hotels, Starwood Vacation Ownership, American Resort Development Association–Hawaii, and Wyndham Worldwide supported this bill. The Hawaii Association of REALTORS supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2783, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 330-10 Consumer Protection & Commerce on H.B. No. 823

The purpose of this bill is to ensure that individuals receive adequate and quality health care by requiring health care plans to provide coverage for colorectal cancer screening by methods specified by the 2008 Colorectal Cancer Screening Guideline.

The American Cancer Society testified in support of this bill. The State Auditor supported the measure with amendments. The Department of Commerce and Consumer Affairs, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and Hawaii Association of Health Plans provided comments.

Your Committee has amended this bill by:

- (1) Including only procedures and tests for colorectal cancer detection recommended by the U.S. Preventative Service Task Force that have received a grade of an A or B; and

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 823, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 823, H.D. 2.

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

SCRep. 331-10 Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on H.B. No. 2446

The purpose of this bill is to transfer the film industry activities in the Department of Business, Economic Development, and Tourism (DBEDT) to the Hawaii Tourism Authority (HTA).

DBEDT and HTA commented on this measure.

Your Committees note the concerns of HTA that it will need additional funding and staffing to carry out these additional functions without diluting the funding for HTA's other functions. In addition, HTA requires a sufficient transition period for the transfer of these additional responsibilities.

Your Committees have amended this bill by changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2446, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2446, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 332-10 Health on H.B. No. 2592

The purpose of this bill is to update Hawaii's controlled substance laws, by among other things:

- (1) Adding new drugs to schedules I, II, and IV; and
- (2) Clarifying the order to show cause and notice requirements when an application for registration is denied or when a registration is suspended or revoked.

The Department of Public Safety and Police Department of the City and County of Honolulu testified in support of this bill. The Drug Policy Forum of Hawaii opposed this measure. Walgreens Company provided comments.

Your Committee has amended this bill by:

- (1) Reestablishing language that limits the immediate suspension of a pharmacy or practitioner's dispensing ability for failure to transmit required dispensing information to an intentional or knowing failure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2592, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 333-10 Health on H.B. No. 1847

The purpose of this bill is to update the nursing scope of practice and standards by:

- (1) Defining the practice of nursing;
- (2) Requiring the Board of Nursing to adopt the National Council of State Boards of Nursing Model Nursing Practice Act and Model Nursing Administrative Rules;
- (3) Delineating the scope of practice for registered nurses, licensed practical nurses, and advanced practice registered nurses (APRN);
- (4) Authorizing registered nurses to delegate certain tasks to other personnel; and
- (5) Repealing Hawaii Administrative Rules pertaining to APRN's prescriptive authority.

The Organ Donor Center of Hawaii, University of Hawaii System, and many concerned individuals testified in support of this bill. The Board of Nursing supported this measure with amendments. The Department of Public Safety offered comments.

Your Committee has amended this bill by:

- (1) Removing the dispensing of drugs from the scope of practice for an APRN;
- (2) Specifying that, for purposes of the Uniform Controlled Substances Act:
 - (A) APRNs are not authorized to request, receive, or sign for professional controlled substance samples; and
 - (B) Physicians must possess a valid Federal Controlled Substance registration;
 and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1847, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 334-10 Health on H.B. No. 2312

The purpose of this bill is to ensure safe health care practices by removing the ability of naturopathic physicians to conduct minor office procedures and prescribe from a naturopathic formulary.

The University of Hawaii System, Hawaii Medical Association, and numerous concerned individuals supported this bill. The Hawaii Society of Naturopathic Physicians and many concerned individuals opposed this measure. The Board of Naturopathic Medicine (Board) submitted comments.

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

- (1) Requiring the Department of Commerce and Consumer Affairs to establish a Naturopathic Formulary Board to create a naturopathic formulary for the practice of naturopathic medicine that will be updated and published every two years;
- (2) Reestablishing the ability of naturopathic physicians to conduct minor office procedures and prescribe from a naturopathic formulary;
- (3) Including vitamins, minerals, dietary supplements, botanical medicines, homeopathic medicines, and hormones consistent with naturopathic medical practice as part of a naturopathic formulary; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2312, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 335-10 Health on H.B. No. 1366

The purpose of this bill is to ensure health care services that include cultural services and integrated care, as well as integrated behavioral health services, are provided at the Waianae Coast Comprehensive Health Center and the Waimanalo Health Center.

Specifically, this bill establishes the Medical Home Demonstration Project (Demonstration Project) to ensure that the medical needs of low-income persons who seek medical services in Waianae and Waimanalo are met.

The Waimanalo Health Center, Waianae Coast Comprehensive Health Center, Hawaii Primary Care Association, and AlohaCare supported this bill. The 'Ohana Health Plan opposed this measure.

Your Committee has amended this bill by:

- (1) Removing geographic limitations to the Demonstration Project by deleting references to Waianae and Waimanalo and providing that the Demonstration Project will provide services through any federally qualified health center in the state;
- (2) Requiring that the Department of Human Services (DHS) will contract with AlohaCare or any qualified not-for-profit health plan willing to participate, to manage the care of patients under the Demonstration Project;
- (3) Blanking out the percentage of the contracted funds a contracted provider is required to set aside for incentives for the medical homes to implement electronic medical records;
- (4) Extending the term of the Demonstration Project by one year to June 30, 2013;

- (5) Changing DHS reporting requirements to delete the report due to the Legislature prior to the 2010 Regular Session and adding a report due prior to the 2013 Regular Session;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1366, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 336-10 Health on H.B. No. 2813

The purpose of this bill is to require a gynecologist to give patients with gynecologic cancer with metastasis in the abdominal area the option of having a gynecologist or a gynecologist oncologist perform the surgery. The Department of Health must submit to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012, a report, which must include:

- (1) Statistics on the number of surgeries requiring a gynecologic oncologist to operate;
- (2) Statistics on the number of cases where the cancer metastasized outside the reproductive organs but was not diagnosed prior to surgery; and
- (3) Any recommendations to improve methods and policies pertaining to improved protocols in gynecologic cancer surgery.

A concerned individual testified in support of this bill. The American Congress of Obstetricians and Gynecologists, Hawaii Section, opposed this measure. The Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2813, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 337-10 Health/Human Services on H.B. No. 1902

The purpose of this bill is to support and improve future long-term care services in Hawaii by extending the sunset date and legislative reporting of the Long Term Care Commission (LTCC).

Hawaii Pacific Health and the Healthcare Association of Hawaii supported this bill. The Chairperson of the LTCC offered comments on this measure.

Your Committees have amended this bill by changing the due dates of the interim and final reports the LTCC is required to submit to the Legislature to January 19, 2011, and January 18, 2012, respectively.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1902, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1902, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 338-10 Energy & Environmental Protection on H.B. No. 2556

The purpose of this bill is to change the designating authority that approves the preferred environmentally-sensitive cleaning and maintenance products to be used by public schools, from the Green Seal Program to the Design for the Environment Program of the United States Environmental Protection Agency (EPA).

The Office of the Governor and Department of Education testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Har, Luke and Sagum.

SCRep. 339-10 Energy & Environmental Protection on H.B. No. 2971

The purpose of this bill is to require the Energy Resources Coordinator to include representatives from the island where a proposed renewable energy facility will be located in determining the terms and conditions of its permit plan and permits and community benefits agreements.

The Sierra Club-Hawaii Chapter, Blue Planet Foundation, and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism opposed this measure. Lanaians for Sensible Growth and a concerned individual provided comments.

Your Committee finds that community benefits agreements are used by many communities in the nation and the world to ensure that communities that are affected by a substantial development project share in long term and sustainable benefits of such a project. Numerous such community benefits agreements and the definition and framework for negotiations are cited in Patricia Salkin & Amy Lavine, *Negotiating for Social Justice and the Promise of Community Benefits Agreements: Case Studies of Current and Developing Agreements*, 17 Albany Law School Journal of Affordable Housing 113 (Fall 2007/Spring 2008), and Julian Gross, *Community Benefits Agreements: Definitions, Values, and Legal Enforceability*, 17 Journal of Affordable Housing & Community Economic Development Law 35 (2008), attesting to the benefit of such agreements to the community where the development will be located.

And secondly, your committee recognizes that negotiations for a community benefits agreement are a separate and distinct process from the government's role in the review and issuance of permits.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the community benefits agreement negotiation should not replace the requirement for the community's involvement in determining the terms and conditions for the permit plans and permits;
- (2) Requiring the Energy Resources Coordinator to convene an applicant for a permit to develop a renewable energy facility and community stakeholders of the location where the facility will be located, to negotiate community benefits agreements when the proposed facility will export a majority of the electricity generated offshore; and
- (3) Inserting a findings and purpose section to that effect.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2971, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 340-10 Energy & Environmental Protection/Agriculture on H.B. No. 2421

The purpose of this measure is to establish initiatives and appropriate funds to increase Hawaii's environmental security and food and energy self-sufficiency. Specifically, this measure:

- (1) Removes the cap on the environmental response revolving fund;
- (2) Renames the "environmental response tax" the "environmental response, energy, and food security tax" and increases the tax to \$1.05 per barrel of petroleum product, except for aviation fuel, which will be taxed at 5 cents per barrel;
- (3) Allocates moneys collected by the environmental response, energy, and food security tax to the energy security special fund, energy systems development special fund, and the agricultural development and food security special fund;
- (4) Authorizes expenditures from the energy security special fund for various purposes to meet the objectives of the Hawaii clean energy initiative program and requires annual reporting on use of the funds;
- (5) Exempts from the State's fuel tax sales of petroleum product used by a provider of commercial air transportation to transport persons or property;
- (6) Establishes the Hawaii economic development task force;
- (7) Creates the agricultural development and food security special fund, makes unspecified appropriations from the fund for various agricultural projects and requires annual reporting on the use of the funds;
- (8) Establishes the Hawaii clean energy initiative program to plan the transition to a clean energy economy;
- (9) Appropriates an unspecified amount from the energy security special fund to fund seven positions within the Hawaii clean energy initiative program;
- (10) Establishes the renewable energy branch within the Department of Business, Economic Development, and Tourism;

- (11) Changes the existing position of the renewable energy facilitator to a permanent position and appropriates an unspecified amount from the energy security special fund to fund the position;
- (12) Creates the position of the energy program administrator as a full-time, exempt position within the Department of Business, Economic Development, and Tourism and appropriates an unspecified amount from the energy security special fund to fund the position;
- (13) Establishes seven full-time temporary, exempt positions within the Department of Business, Economic Development, and Tourism to support various planning and renewable projects and appropriates an unspecified amount from the energy security special fund to fund the positions;
- (14) Authorizes the Governor to establish positions necessary to manage renewable energy projects funded by federal grants;
- (15) Appropriates an unspecified amount from the energy security special fund to fund the greenhouse gas emissions reduction task force; and
- (16) Takes effect on July 1, 2010.

Testimony in support of this measure was submitted by Chamber of Commerce of Hawaii, Hawaiian Airlines, Airlines Committee of Hawaii, Blue Planet Foundation, Life of the Land, The Nature Conservancy, Sierra Club - Hawaii Chapter, Conservation Council for Hawaii, Hawaii Solar Energy Association, Enterprise Honolulu, and Hawaii Farm Bureau. Testimony in opposition to this measure was submitted by the Department of Health, Department of Taxation, and Department of Budget and Finance. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds that it is in the best interests of Hawaii's people to develop the capacity to become energy and food self-sufficient and protect human health and the function of Hawaii's natural environment. Your Committee recognizes the frequently expressed concern that the application of the environmental response, energy, and food security tax to aviation fuel may be prohibited by federal law if the revenue from the tax is not used for airport-related purposes. Your Committee requests that future Committees hearing this measure address this concern and consider whether the entire amount of the tax would be a legitimate assessment on aviation fuel if that revenue were then separated and used exclusively to fund agricultural inspection programs at the State's airports.

Your Committee has amended this measure by:

- (1) Clarifying that the environmental response, energy, and food security tax is:
 - (A) \$1.05 with respect to petroleum product that is not aviation fuel; and
 - (B) 5 cents with respect to petroleum product that is aviation fuel; and
- (2) Making technical non-substantive amendments for the purposes of conformity, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2421, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Manahan and Ching.
(Representative Marumoto voted no.)

SCRep. 341-10 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 2960

The purpose of this measure is to exempt qualified actions that protect, preserve, or enhance the environment, land, and natural resources from the state environmental review process.

The Nature Conservancy submitted testimony supporting the intent of this measure. The Department of Land and Natural Resources, Office of Hawaiian Affairs, Sierra Club, and the Outdoor Circle submitted testimony in opposition.

Your Committees find that there is a need to streamline the process for environmentally friendly projects by exempting them from the environmental review process. However, your Committees find that, as drafted, this measure may actually increase the burden on conservation projects by creating a duplicative, administratively complex, and unclear process.

Accordingly, your Committees have amended the measure by:

- (1) Providing for exemptions for projects approved by the Department of Land and Natural Resources that:
 - (A) Protect, preserve, or enhance native species, native habitats, and native ecosystem functions; and
 - (B) Will probably have minimal or no significant effects on the environment;
- (2) Providing examples of projects meant to qualify for the exemption; and
- (3) Deleting the remaining provisions in the bill relating to the administrative process requirements for obtaining an exemption.

Your Committees have also changed the effective date of the measure to June 30, 2050, to promote further discussion.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2960, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2960, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 342-10 Housing on H.B. No. 2812

The purpose of this bill is to ensure proper representation of home and business owners in mixed-use condominiums by:

- (1) Establishing a minimum number of members for condominium association boards of directors for mixed-use condominiums with a certain number of units and owners; and
- (2) Limiting the number of board members representing nonresidential-use units.

Several concerned individuals supported this bill. Several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Applying the board-composition requirements of this bill to projects with more than 75 residential-use and nonresidential-use individual units, and more than 25 individual owners;
- (2) Exempting time-share units from the board-composition requirements;
- (3) Prohibiting cumulative voting when voting to remove or replace members of condominium association boards of directors;
- (4) Deleting provisions limiting multiple non-residential-use units owned by a single entity to only one board member; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2812, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Har.

SCRep. 343-10 Housing/Water, Land, & Ocean Resources on H.B. No. 2488

The purpose of this bill is to help the homeless population by increasing the conveyance tax by ten percent on homes valued at \$700,000 and more to finance the purchase and maintenance of state parks to serve the homeless.

Many concerned individuals supported this bill with amendments. The Hawaii Housing Finance and Development Corporation, Department of Taxation, Hawaii Association of REALTORS, and The Chamber of Commerce of Hawaii opposed this measure. The Department of Land and Natural Resources and Tax Foundation of Hawaii provided comments.

Your Committees have amended this bill by:

- (1) Increasing the conveyance tax by 15 percent rather than 10 percent;
- (2) Applying the increased conveyance tax only to homes valued at \$1,200,000 and more;
- (3) Clarifying that the provisions relating to the parks for the homeless shall apply to those parks under the jurisdiction of the counties;
- (4) Extending the availability of funds from the parks for homeless special fund to each of the counties;
- (5) Requiring the counties to provide matching funds for the parks; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2488, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2488, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Chang, Luke, Ching and Thielen voted no.)

SCRep. 344-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2125

The purpose of this bill is to reduce the production of waste and encourage recycling and reuse by establishing a 10 cent per disposable checkout bag offset fee.

The Conservation Council for Hawaii, Sierra Club–Hawaii Chapter, Surfrider Foundation, and many concerned individuals testified in support of this bill. The Department of Health, Hawaii Food Industry Association, Retail Merchants of Hawaii, American Chemistry Council, and Hawaii Restaurant Association opposed this measure.

Your Committee has amended this bill by:

- (1) Designating the entire fee to remain with the businesses to enable them to educate consumers on recycling and reuse;
- (2) Charging a 10 cent offset fee for disposable plastic newspaper bags and plastic laundry or dry cleaning bags beginning on December 21, 2012;
- (3) Changing the effective date to January 1, 2011; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2125, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2125, H.D. 2.

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

SCRep. 345-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2676

The purpose of this bill is to better facilitate the Kaho'olawe Island Reserve Commission's (KIRC) ability to carry out its statutory duties to protect, preserve, and rehabilitate the Island of Kaho'olawe by exempting contracts made by KIRC for the procurement of food or fuel products from the state procurement code.

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

Your Committee has amended this bill by:

- (1) Requiring KIRC to continue to comply with the reporting requirements of the state procurement code for contracts entered into under this exemption;
- (2) Changing the effective date to January 1, 2012, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2676, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2676, H.D. 1.

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

SCRep. 346-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2057

The purpose of this measure is clarify the requirements for pre-bid conferences. Specifically, this measure:

- (1) Shortens the time frame for a pre-bid conference from fifteen days to ten working days;
- (2) Permits pre-bid conferences to be conducted so that persons may participate remotely; and
- (3) Requires parties that protest a contract award to have attended a pre-bid conference.

No written testimony was submitted on this bill.

Your Committee finds that Hawaii's procurement process is in need of simplification and streamlining to enable agencies to quickly acquire the resources or services they need. Accordingly your Committee has amended this bill by:

- (1) Clarifying procurement authority by changing references from "purchasing agency" to "procurement officer";
- (2) Adding a definition for "subcontractor", clarifying the definitions of "contractor" and "procurement officer", deleting the definition of "purchasing agency", and making conforming amendments throughout the bill;
- (3) Requiring bid results for procurements conducted on an electronic system to be posted on the electronic system;
- (4) Requiring bidders to have tax clearances and appropriate licensure at the time a bid is submitted;
- (5) Removing the option for the head of a purchasing agency to determine in writing that the use of competitive sealed bidding is not practicable or advantageous to the State;

- (6) Requiring a procurement officer to conduct a pre-bid conference for specified construction or design-build projects;
- (7) Deleting the requirement for the adoption of rules and provision of training as a prerequisite to requiring small purchase procurements through an electronic procurement system;
- (8) Requiring a sole source determination to be made only after the head of a purchasing agency:
 - (a) Determines in writing that there is only one source for the required goods, services, or construction;
 - (b) Was previously unable to award a contract for the goods, services, or construction under section 103D-302(h) or 103D-303(g), Hawaii Revised Statutes; and
 - (c) Provides thirty days public notice of the intent toward a contract by sole source procurement;
- (9) Authorizing the filing of an objection to a sole source determination within five days of the determination and prescribing procedures for processing objections;
- (10) Requiring the Auditor to conduct an annual audit of sole source procurements;
- (11) Deleting present provisions relating to cost and pricing data to require a less burdensome standard appropriate to the commercial goods and services that government agencies buy;
- (12) Authorizing the procurement officer or the Auditor to audit the books of a contractor;
- (13) Increasing the threshold contract amount for requiring bid security from \$25,000 to \$100,000 for construction contracts, and establishing a threshold contract amount for requiring bid security of \$50,000 for contracts for goods or services;
- (14) Requiring solicitations for contracts that will require a bid security or a performance and payment bond to state that requirement in the solicitation;
- (15) Requiring performance and payment bonds to be delivered to the procurement officer within ten days of the contract award;
- (16) Increasing the threshold contract amount for requiring performance or payment bonds from \$25,000 to \$100,000 for construction contracts;
- (17) Broadening the scope of persons that may prepare specifications;
- (18) Repealing the authority for government agencies to contract on their own behalf for professional services;
- (19) Repealing the authority of a purchasing agency to prepare specifications for procurements under section 103D-209 and 103D-210, Hawaii Revised Statutes;
- (20) Changing the effective date to January 1, 2011; and
- (21) Making various technical amendments throughout the bill for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2057, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 347-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2133

The purpose of this bill is to improve efficiency within the government procurement process by:

- (1) Amending the procurement code to make public contracts effective as of the notice of the award;
- (2) Specifying that the solicitation, offer, bid, or proposal and the award notice constitute the entire contract; and
- (3) Providing that a subsequent written and executed contract is not required.

The General Contractors Association of Hawaii and the Hawaii Farm Bureau Federation supported this bill. The Department of Accounting and General Services, State Procurement Office (SPO), and Electrical Contractors Association of Hawaii opposed this measure.

This bill is intended to streamline and make the procurement process more flexible and responsive, while retaining its transparency. Your Committee has amended this bill by:

- (1) Requiring that contracts will be deemed effective ten days after the notice of the award;

- (2) Establishing that an award must be made within 45 days of the initial request for proposal but in no case later than 15 days after the proposal is due;
- (3) Requiring the SPO to authorize reseller agreements in multi state contracting agreements;
- (4) Amending the small business set-aside law to require the Procurement Policy Board to adopt rules to promote the growth and development of Hawaii small businesses that would include a five percent price preference for qualified businesses; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

Although the procurement code currently contains a small business set-aside, the law is not benefiting small businesses because it is difficult to implement. The amendments to the set-aside establish a flat five per cent preference for Hawaii small businesses that should give small businesses a better opportunity to compete for government contracts.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2133, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 348-10 Economic Revitalization, Business, & Military Affairs/Higher Education on H.B. No. 2382

The purpose of this bill is to develop Hawaii's digital media industry by:

- (1) Establishing digital media enterprise subzones within enterprise zones and surrounding University of Hawaii (UH) campuses, with the initial subzone located near the UH-West Oahu campus;
- (2) Establishing a Digital Media Infrastructure Tax Credit (Infrastructure Credit) and Digital Media Enterprise Subzone Workforce Development Tax Credit (Workforce Credit) for infrastructure development and Hawaii workforce employment within these subzones;
- (3) Encouraging insurance companies to invest in digital media infrastructure projects by authorizing the use of the Infrastructure Credit to offset certain state taxes on insurance companies;
- (4) Renaming the Hawaii Television and Film Special Fund the Hawaii Film Office Special Fund; and
- (5) Allowing the imposition of fees for the administration and certification of the tax credits, to be deposited in the Hawaii Film Office Special Fund.

The Academy for Creative Media of UH, SHM Partners, Hawaii Animation Studios, Castle & Cooke, and a concerned individual supported this bill. UH supported the intent of this measure. The Department of Taxation opposed this bill. Comments were submitted by the Insurance Commissioner of the Department of Commerce and Consumer Affairs and the Department of Business, Economic Development, and Tourism.

Creative media includes products such as film, television, software, video games, animation, and visual effects, and is America's largest economic export after aerospace. Through programs such as the UH Academy for Creative Media and the over 80 media programs throughout the Department of Education (DOE), Hawaii has already begun to develop the creative workforce that is necessary for industry growth and success.

This measure is designed to develop the other components necessary for the growth of this industry – creative media infrastructure, and incentives for businesses to locate their operations and invest in Hawaii – and seeks to align these with Hawaii's existing creative media resources in UH and DOE.

Your Committees have amended this measure by:

- (1) Adding a purpose section to explain how the digital media subzones and tax credits work;
- (2) Clarifying that digital media subzones must fall within existing enterprise zones and are not an independent classification;
- (3) Providing a definition for "Hawaii resident" for the purposes of the Workforce Credit;
- (4) Authorizing a fee to be charged for the costs of certifying qualified labor costs for the Workforce Credit;
- (5) Specifying that fees for the administration and certification of the tax credits as well as taxpayer penalties for submitting fraudulent information in connection with the credit are to be deposited into the Hawaii Film Office Special Fund;
- (6) Changing the effective date to July 1, 2012, to encourage further discussion; and
- (7) Making technical, Nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2382, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2382, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 349-10 Judiciary on H.B. No. 2376

The purpose of this bill is to improve the accountability of Hawaii's public education system by proposing a constitutional amendment to article X, section 2, of the Hawaii Constitution, to require the members of the Board of Education (BOE) to be nominated and, by and with the advice of the Senate, appointed by the Governor, as provided by law.

The Hawaii Business Roundtable, Hawaii's Children First, Hawaii Association of Independent Schools, and a concerned individual testified in support of this bill. The Board of Education and Hawaii State Teachers Association opposed this measure. The Hawaii Government Employees' Association offered comments.

Your Committee has amended this bill by changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2376, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla and Luke.
(Representatives Carroll, McKelvey and Souki voted no.)

SCRep. 350-10 Judiciary on H.B. No. 2759

The purpose of this bill is to authorize the Hawaiian Homes Commission (HHC) to allow gaming on Hawaiian Home Lands. Specifically, this bill:

- (1) Requires HHC to designate specific parcels upon which gaming is allowed;
- (2) Establishes a Hawaiian Gaming Commission to regulate casino gaming operations;
- (3) Establishes a wagering tax on casino gaming operations, in lieu of all other state taxes, except for income taxes; and
- (4) Allocates 20 percent of the wagering taxes to the general fund and 80 percent to the Hawaiian Home Lands Trust Fund.

Kanaka Council Moku o Keawe, Hawaiian Political Action Council of Hawaii, and several concerned individuals supported this bill. HHC, the Department of Hawaiian Home Lands, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Coalition Against Legalized Gambling, Church of Jesus Christ of Latter-day Saints, Honolulu Police Department, Ohana Council, PHOCUSED, Christian Voice of Hawaii, and numerous concerned individuals opposed this measure. The Department of Commerce and Consumer Affairs, Waimea Hawaiian Homesteaders' Association, Inc., and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Requiring HHC to consult with the beneficiaries of the Hawaiian Homes Commission Act to determine the appropriateness of a prospective gaming site; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2759, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2759, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla and Luke.
(Representatives Belatti, Morita, Marumoto and Thielen voted no.)

SCRep. 351-10 Judiciary on H.B. No. 2829

The purpose of this bill is to ensure the health and safety of patients by requiring:

- (1) Hospitals to report hospital-acquired infection rates; and
- (2) The Department of Health (DOH) to establish procedures for collecting infection rate information and disclosing it to the public.

The Healthcare Association of Hawaii, Consumers Union, and a concerned individual supported this bill. The Hawaii Medical Service Association supported the intent of this measure. The DOH opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting provisions that establish penalties for noncompliance and require DOH to ensure compliance with hospital reporting requirements as a condition for licensure;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2829, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2829, H.D. 1.

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

SCRep. 352-10 Public Safety on H.B. No. 1983

The purpose of this bill is to provide a method to reduce prison overcrowding and relieve pressure on correctional budgets by authorizing the Director of Public Safety (Director) to release a committed person sentenced for a misdemeanor offense so long as the committed person has served at least two-thirds of the maximum sentence imposed by the court.

The Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Hepatitis Network of Hawaii Prisoner Reintegration Program, and a concerned individual supported this bill. The City and County of Honolulu Department of the Prosecuting Attorney (C&C Prosecuting Attorney) opposed this measure. The Department of Public Safety submitted comments.

Your Committee recognizes the concerns of the C&C Prosecuting Attorney regarding:

- (1) The need for a release program to consider criteria of the underlying crime's seriousness or its effect on victims to fully take into account the societal impact of the crime;
- (2) Possible conflicts with current laws requiring mandatory minimum sentencing for certain misdemeanors;
- (3) Uncertainty of whether or not determinations by the Director would need to go through a hearing process and, if so, if an appeals process would be in order; and
- (4) The potential difficulty the Director may have in applying the standard for early-release under this measure.

Accordingly, your Committee respectfully requests that the Committee on Judiciary look further into the concerns raised by the C&C Prosecuting Attorney.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1983 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana and Pine.
(Representative Keith-Agaran voted no.)

SCRep. 353-10 Public Safety on H.B. No. 2023

The purpose of this bill is to give immunity from liability to a person or organization who voluntarily offers the use of the person's or organization's property to shelter people from a natural or man-made disaster.

The Office of the Mayor of the County of Hawaii testified in support of this bill. The Hawaii State Civil Defense opposed this measure.

Your Committee notes there is no reason to amend section 128-19, Hawaii Revised Statutes (HRS), because Chapter 128 already applies to natural and man-made disasters. By specifically including natural and man-made disasters in section 128-19, HRS, there is a potential for excluding them from the rest of the chapter.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2023 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Yamashita and Pine.

SCRep. 354-10 Public Safety on H.B. No. 2549

The purpose of this bill is to ensure adequate funding for disaster relief efforts by the Department of Defense (DOD) by:

- (1) Designating federal reimbursement moneys for disaster relief as trust moneys and directing that they be deposited into a trust account under the control of DOD (Trust Account); and
- (2) Appropriating \$500,000 to be deposited into the Trust Account.

DOD supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2549 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Yamashita and Pine.

SCRep. 355-10 Public Safety on H.B. No. 2657

The purpose of this bill is to work to curb the substance abuse problem facing the people of Hawaii by requiring the Department of Public Safety (DPS) to:

- (1) Plan for a model wellness center to be built on State lands, giving preference to the site formerly used as the Kulani Correctional Facility on the Island of Hawaii; and
- (2) Report its findings and recommendations to the Legislature 20 days prior to the convening of the Regular Session of 2011.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, Ohana Hoopakele, and a concerned individual testified in support of this bill. DPS testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2657 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakashima, Saiki, Takumi and Pine.

SCRep. 356-10 Public Safety on H.B. No. 2805

The purpose of this bill is to support the vital mission of the Hawaii Civil Air Patrol (HCAP), including its tsunami warning operations, by making an appropriation of an unspecified dollar amount to ensure its continued operation.

Several concerned individuals supported this bill. The Department of Defense provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2805 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Yamashita and Pine.

SCRep. 357-10 Labor & Public Employment on H.B. No. 2204

The purpose of this bill is to fund the Hawaii employer-union health benefits trust fund (EUTF) costs contained in the agreement with the exclusive bargaining representative of collective bargaining units for the employees in collective bargaining units (2), (3), (4), (6), (8), (9), and (13).

The Hawaii Government Employees' Association and the University of Hawaii Professional Assembly testified in support of this bill. The Department of the Attorney General (AG) opposed this measure. The Department of Budget and Finance (B&F) provided comments.

The current fiscal situation facing the State resulted in ongoing negotiations with the exclusive bargaining representatives of the various public sector collective bargaining units over salaries and benefits. Although the parties involved with the negotiations concerning bargaining units (2), (3), (4), (6), (8), (9), and (13) reached agreement on numerous issues, they were unable to resolve differences concerning the contribution amounts paid by the employers (State and counties) toward health benefit plan costs. While the current law allows negotiations over these amounts to occur, it also prohibits the use of binding arbitration to resolve disputes relating to employer contributions to the EUTF. However, in a letter of understanding, the parties involved agreed to submit this issue to the Legislature for resolution. This measure is a result of that decision.

Nevertheless, your Committee does note the concerns raised by B&F and the AG concerning the use of percentages of health premium costs rather than specific dollar amounts and the time period this measure covers. Accordingly, your Committee has amended this measure by:

- (1) Removing language specifying that the employer pay 60 percent of the health premium costs for employees, and instead simply making the payment an unspecified dollar amount;
- (2) Specifying that the funding contained in this bill only applies to fiscal year 2010–2011, as the letter of understanding between the parties stipulated that the employer continue to pay the same dollar amount as in fiscal year 2008–2009 for fiscal year 2009–2010 only;
- (3) Requiring the employer to pay 100 percent of the EUTF's monthly administrative fees for fiscal year 2010–2011;
- (4) Changing the effective date to July 1, 2010; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Yet, your Committee also recognizes that public employees have also faced an approximately 24 percent increase in health care premiums while also experiencing furlough days that have resulted in reduced salaries. As such, your Committee respectfully requests that the Committee on Finance consider a cost-sharing split for health premium costs of 55 percent and 45 percent for employers and employees respectively when determining the exact amount of funds to be placed in this measure, and that this consideration only be given for the 2010–2011 fiscal year. Future percentage divisions for health premiums can be decided through collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 358-10 Labor & Public Employment on H.B. No. 2541

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs contained in the agreement with the exclusive bargaining representative for the employees in collective bargaining unit (10). Specifically, this bill funds the EUTF costs of:

- (1) Employees of collective bargaining unit (10) for fiscal biennium 2009-2011; and
- (2) State officers and employees who are excluded from collective bargaining, authorized by Chapter 89C, Hawaii Revised Statutes.

The Department of Budget and Finance testified in support of this bill. The United Public Workers opposed this measure.

The Current fiscal situation facing the State resulted in ongoing negotiations with the exclusive bargaining representative of the various public sector collective bargaining units over salaries and benefits. Although the parties involved with the negotiations concerning bargaining unit (10) reached agreement on numerous issues through the arbitration process, they were unable to resolve differences concerning the contribution amounts paid by the employers (State and counties) toward health benefit plan costs. While current law allows negotiations over these amounts to occur, it also prohibits the use of binding arbitration to resolved disputes relating to employer contributions to the EUTF.

Since the parties are at an impasse with regard to the employer contributions, pursuant to section 89-11(g), Hawaii Revised Statutes, the parties are required to submit their respective contribution recommendations to the Legislature for action. This measure represents the State's recommendations.

Your Committee has amended this bill by:

- (1) Requiring the employer to pay 100 percent of the EUTF's monthly administrative fees;
- (2) Clarifying that funds not expended or encumbered by September 30, 2010, for fiscal year 2009-2010 rather than June 30, 2010, shall lapse as of that date to ensure that delays in the enactment of this bill do not result in the loss of employer contributions for fiscal year 2009-2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Yet, your Committee also recognizes that public employees have also faced an approximately 24 percent increase in health care premiums while also experiencing furlough days which have resulted in reduced salaries. As such, your Committee respectfully requests that the Committee on Finance consider a cost sharing split for health premium costs of 55 percent and 45 percent for employers and employees respectively when determining the exact amount of funds to be placed in this measure for the 2009-2011 fiscal biennium. Future percentage divisions for health premiums can be decided through collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2541, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 359-10 Labor & Public Employment on H.B. No. 2937

The purpose of this bill is to bring equality to the negotiating process while allowing negotiators to meet the needs of public employees by including the negotiation of health plan benefits as part of the collective bargaining process.

The Hawaii Government Employees Association, University of Hawaii Professional Assembly, Hawaii Fire Fighters Association, and a concerned individual testified in support of this bill. The Office of Collective Bargaining, Department of the Attorney General, Department of Budget and Finance, Department of Human Resources of the City and County of Honolulu, and Department of Personnel Services of the County of Maui testified in opposition to this measure. The Hawaii State Teachers Association provided comments.

Currently, Hawaii's public employees negotiate compensation and benefits packages through the collective bargaining process. However, health plan benefits are excluded from negotiations under current law. With rising health care costs and insurance premiums, health care is becoming less affordable for Hawaii's workers, especially those employees who need family coverage or who receive lower pay. As benefits are part of an employee's compensation, allowing for health benefits to be negotiated seems reasonable.

However, your Committee notes that including health plan benefits as a negotiable item in the collective bargaining process may bog down negotiations and make the process more cumbersome and difficult. Accordingly, your Committee has amended this bill by:

- (1) Removing language that includes the negotiation of health plan benefits as a part of the collective bargaining process;
- (2) Allowing the parties to submit recommendations for EUTF contribution amounts to the arbitration panel for bargaining units subject to arbitration;

- (3) Specifying that the arbitration panel has authority to render a final and binding decision with respect to the amounts of contributions by the State and counties to the EUTF; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2937, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Pine.

SCRep. 360-10 Consumer Protection & Commerce on H.B. No. 2603

The purpose of this bill is to require that certain utility owners pay their half of the costs of any betterment, relocation, or undergrounding of certain highway facilities to the state or county highway agency upfront, within 30 days after the utility owner's share of the costs is determined.

The Department of Transportation supported this bill. Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Kauai Island Utility Cooperative opposed this measure. The Gas Company submitted comments.

Your Committee has amended this bill by replacing its contents with provisions that require utility entities to provide their share of funds in a timely manner in any contract involving state or county funds and supplemental funds from utility entities to ensure that sufficient funds are available to cover the amount required by a contract.

Your Committee finds that this bill, as amended, will set into motion the changes necessary to ensure greater coordination between state, county, and public utility agencies to implement much needed infrastructure improvements in a fair way. While more discussion is necessary to further develop and improve upon this initiative, this is a good starting point for the stakeholders to move forward from.

Accordingly, your Committee has further amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2603, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2603, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Mizuno.

SCRep. 361-10 Consumer Protection & Commerce on H.B. No. 2899

The purpose of this bill is to improve enforcement of contracting laws by:

- (1) Establishing a Construction Site Inspection Task Force (Task Force) consisting of representatives from the Department of Commerce and Consumer Affairs (DCCA), Department of Labor and Industrial Relations (DLIR), Department of Taxation (DOTAX), and each county permitting department, to coordinate activities to deter tax evasion, unlicensed contractor activity, and workplace safety violations; and
- (2) Authorizing the Task Force to form joint enforcement teams to inspect construction sites, establish procedures for soliciting referrals from the public, develop procedures to permit the use of civil sanctions instead of criminal actions, and evaluate the need for statutory changes.

The Subcontractors Association of Hawaii; Pacific Resource Partnership; General Contractors Association; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Laborers' Union; Building Industry Association of Hawaii; and a concerned individual testified in support of this bill. DLIR supported the intent of this measure. DCCA's Regulated Industries Complaints Office, the Contractors License Board, and a concerned individual provided comments.

Your Committee finds that "underground" construction operations that ignore contractor and other related industry requirements harm the state's economy, workforce, and consumers. This bill creates the Task Force to facilitate a coordinated effort between the State and the counties to improve the enforcement of laws regulating Hawaii's construction industry.

However, there are concerns regarding the impact this bill would have on state departments already struggling to carry out core functions in the current economy. The ability of Task Force agencies to commit resources under this bill depends upon the staffing and budgets of the participating departments. There are also practical challenges in coordinating tasks among several departments.

Accordingly, your Committee has amended this bill by:

- (1) Restricting the purpose of the Task Force to addressing unlicensed contractor activity;
- (2) Eliminating the representatives from DLIR and DOTAX from the Task Force;
- (3) Providing for a \$20 increase in Compliance Resolution Fund fees paid by licensed contractors, to fund the Task Force; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2899, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 362-10 Consumer Protection & Commerce on H.B. No. 2630

The purpose of this bill is to protect motor vehicle dealers in Hawaii by amending Hawaii's Motor Vehicle Industry Licensing Act (Licensing Act). Among other things, this bill:

- (1) Establishes that the provisions of the Licensing Act shall be remedial and apply to all existing franchise and ancillary agreements when this bill is enacted;
- (2) Inserting definitions for "ancillary agreement" and "relevant market area" into the Licensing Act;
- (3) Amending the definitions of "dealer", "franchise", and "new motor vehicle dealer" to reflect the changes to the Licensing Act;
- (4) Expanding the provisions and conditions under which the Motor Vehicle Industry Licensing Board may suspend, revoke, fine, or deny the renewal of any license, or prior to notice and hearing deny the issuance of any license for any cause authorized by law; and
- (5) Stipulating that the measure of compensation for distributors who are not manufacturers upon cancellation or failure to renew a franchise agreement that is established under the Licensing Act shall apply to instances of failing to renew or cancelling a franchise agreement without good cause and good faith.

The Hawaii Automobile Dealers' Association; Honolulu Ford; JN Group, Inc.; Aloha Auto Group; King Auto Group; and a concerned individual testified in support of this bill. General Motors, LLC and the Alliance of Automobile Manufacturers testified in opposition to this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Motor Vehicle Industry Licensing Board provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2630, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Mizuno.

SCRep. 363-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2217

The purpose of this bill is to help ensure greater stability and self-sustainability for the Office of Planning by establishing a Planning Special Fund (PSF) for use by the OP to fund staff with specialized duties that meet statutory and federal mandates within the OP. Funds appropriated by the Legislature, federal funds, and private donations can be deposited into the PSF.

Hawaii's Thousand Friends and a concerned individual testified in support of this bill. The OP opposed this measure. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2217 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 364-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2831

The purpose of this bill is to expand the financial resources of the Natural Energy Laboratory of Hawaii Authority (NELHA) by authorizing NELHA to acquire, hold, and sell qualified securities, and to accept donations of money, property, and services.

NELHA testified in support of this bill.

Your Committee has amended this bill by:

- (1) Requiring the detailing of the acquisition and sale of qualified securities in the annual report of the NELHA Board of Directors;
- (2) Changing the effective date to January 1, 2112; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2831, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 365-10 Economic Revitalization, Business, & Military Affairs/Labor & Public Employment on H.B. No. 2273

The purpose of this bill is to acknowledge the valuable service and sacrifice of veterans of the armed services by specifying the conditions under which veterans qualify for a civil service hiring preference.

The Military Officers Association of America-Hawaii Chapter testified in support of this bill. The Department of Human Resources Development testified in opposition to this measure. The Judiciary provided comments.

In recent years the number of individuals in the armed services serving long tours on active duty has increased. In the past, most members of the National Guard and military reserves either did not serve on active duty long enough to qualify for hiring preferences when applying for civil service jobs, or were unaware of the qualifications for the hiring preference. This measure addresses this issue by making the criteria for the veteran's preference for civil service jobs well defined so as to be easily understood.

Your Committees have amended this bill by changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana and Pine.

SCRep. 366-10 Agriculture on H.B. No. 2779

The purpose of this bill is to allow an agricultural or aquacultural lessee to erect or use a temporary structure on state leased lands without state or county approval or a county building permit provided the structure is temporary, meets certain structural requirements, and the lessee signs a waiver releasing the county from liability.

The Hawaii Farm Bureau Federation and Waimea Hawaiian Homesteaders' Association, Inc. testified in support of this bill. The Department of Agriculture, Department of Land and Natural Resources opposed this measure. The Department of Public Works of the County of Hawaii and Agribusiness Development Corporation provided comments.

Your Committee notes that private insurance should be sought to cover liability issues for these temporary structures.

Your Committee has amended this bill by:

- (1) Defining temporary structure; and
- (2) Requiring the lessee to sign a waiver releasing the state from liability, as well as the county.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2779, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 367-10 Agriculture on H.B. No. 2290

The purpose of this bill is to support the operations of the Department of Agriculture (DOA), by, among other things:

- (1) Establishing the Agriculture Inspection and Certification Special Fund (Fund) to be used for the inspection, certification, weighing, or grading of agricultural commodities exported from or shipped within the state;
- (2) Depositing certain fees, civil penalties, and other moneys collected and received by DOA into the Fund;
- (3) Allowing DOA to enter into agreements with government and private agencies to hire and pay temporary inspectors to perform certification and audit services;
- (4) Repealing the Certification Services Revolving Fund, and transferring all the moneys to the Fund and requiring all unpaid obligations to become payable from the Fund; and
- (5) Requiring the establishment or increase of certain fees to cover the operation and maintenance costs of agriculture inspection and certification programs, and central services and departmental administrative expense assessments.

The Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Hawaii Papaya Industry Association, Monsanto Hawaii, and a concerned individual testified in support of this bill. DOA and the Department of Budget and Finance offered comments.

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

- (1) Establishing the Fund in Chapter 147, Hawaii Revised Statutes (HRS), relating to grades and standards, rather than Chapter 141, HRS, relating to DOA;
- (2) Designating funds received for food safety or food security certification seals, and funds received for promoting safety-certified food suppliers and services related to food safety, to be deposited into the Fund;
- (3) Allowing Fund moneys to be used for:
 - (A) The licensure of commission merchants, dealers, brokers, agents, processors, and retail merchants;
 - (B) The administration, operation, and enforcement of Chapter 144 (relating to feeds), part I of Chapter 145 (relating to regulation of dealers in farm produce), and Chapter 147, HRS; and
 - (C) The inspection, certification, weighing, or grading of agricultural commodities that are to be imported into the state;
- (4) Requiring fees collected from the inspection of feeds, and fees, charges, expenses, fines, and other moneys related to the regulation of dealers in farm produce to be deposited into the Fund;
- (5) Clarifying that the Board of Agriculture may designate only DOA employees or agents who are appropriately certified as inspectors for flowers and foliage;
- (6) Removing the specification that the inspectors who may be hired and paid to perform certification and audit services through cooperative agreements between DOA and government and private agencies, be temporary;
- (7) Allowing DOA and government and private agencies to, through cooperative agreements:
 - (A) Maintain food safety; and
 - (B) Establish and maintain an Internet food safety promotional and reporting system;
- (8) Requiring the adoption or amendment of rules by DOA to impose or increase fees for inspection of feeds and regulation of dealers in farm produce;
- (9) Requiring the fees established by DOA to cover the operation and maintenance costs of agriculture inspection and certification programs, and central services and departmental administrative expense assessments, to be implemented through a two-tiered increase;
- (10) Specifying the fees to be charged, if DOA has not already imposed or increased the fees by September 30, 2010, as follows:
 - (A) For inspections and certifications, \$65 per hour or as established under cooperative agreement with the United States Department of Agriculture or other governmental agencies; and
 - (B) For licensure of or license renewal for a commission merchant, dealer, broker, agent, processor, or retail merchant: \$80 for a commission merchant, dealer, broker, agent, or processor; \$20 for a retail merchant; and \$10 for each branch store;
- (11) Appropriating \$1,400,000 from the general fund of the State for fiscal year 2010-2011 for DOA's agriculture inspection and certification program; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2290, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Manahan.

SCRep. 368-10 Agriculture on H.B. No. 2293

The purpose of this bill is to create an Agriculture Staffing Special Fund (ASSF) to pay the salary and benefits for personnel that were previously paid by the general fund. Specifically, the bill requires that:

- (1) A portion of the Agricultural Revolving Loan Fund (ARLF), and fees and interest generated by agricultural loans, be deposited into the ASSF; and
- (2) The Department of Agriculture (DOA) submit a financial report of the ASSF to the Legislature no later than 20 days prior to the convening of the 2012 Regular Session.

The Hawaii Government Employees' Association, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Monsanto Hawaii, and a concerned individual testified in support of this bill. The DOA opposed this measure. The Department of Budget and Finance (DBF) provided comments.

Your Committee has amended this bill by:

- (1) Including operating costs of department personnel to also be paid from ASSF;
- (2) Changing the effective date to January 20, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2293, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 369-10 Agriculture on H.B. No. 2729

The purpose of this bill is to amend the definition of agricultural commodity to include cattle, horses, sheep, goats, pigs, bison, and llama, their carcasses and meat, for purposes of grading, labeling, and packaging requirements for sale of those items.

The Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; and Maui Cattlemen's Association testified in support of this bill. The Department of Agriculture (DOA) supported this measure with amendments. Animal Rights Hawaii provided comments.

Your Committee notes that in its testimony, DOA suggested the inclusion of milk and eggs that have been produced in the state.

Accordingly, your Committee has amended this bill to:

- (1) Include milk, poultry carcasses, and chicken eggs that have been produced in the state in the amended definition of agricultural commodity; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2729, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 370-10 Agriculture on H.B. No. 2775

The purpose of this bill is to improve regulation of the importation of plants and animals by establishing fees for the processing of permits and other requests for the importation or possession of incoming plants, animals, and microorganisms into the state.

The Hawaii Farm Bureau Federation and The Nature Conservancy of Hawaii supported this bill. The Department of Agriculture and Hawaii Crop Improvement Association supported this measure with amendments. The University of Hawaii System, High Technology Development Corporation, and the Coordinating Group on Alien Pest Species supported the intent of this bill.

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

- (1) Inserting specific fee amounts for the processing of various permits and other requests for the importation or possession of incoming plants, animals, and microorganisms into the state; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2775, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 371-10 Agriculture on H.B. No. 2948

The purpose of this bill is to protect agriculture in Hawaii by:

- (1) Establishing restrictions on the interisland movement of agricultural and nonagricultural articles capable of harboring pests;

- (2) Expanding the requirements for arrival notification for marine vessels and aircraft;
- (3) Broadening inspectors' authority to quarantine or inspect;
- (4) Requiring the labeling of containers that hold nonagricultural articles; and
- (5) Establishing violations of conditions of importation or interisland movement of agricultural and nonagricultural articles as a misdemeanor offense and increasing the fine for violators.

The Department of Agriculture, Hawaii Farm Bureau Federation, and The Nature Conservancy of Hawaii testified in support of this bill. Young Brothers, Limited, supported the intent of this measure. Hawaiian Airlines and Airlines Committee of Hawaii provided comments.

Your Committee notes that if less than container load shipments were to stop due to the restrictions and fines imposed in this bill, it would have a devastating effect on Maui.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 20, 2020, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2948, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 372-10 Agriculture/Water, Land, & Ocean Resources on H.B. No. 2409

The purpose of this bill is to encourage commercial aquaculture ventures in the state by providing favorable lease terms for public lands.

The Hawaii Farm Bureau Federation, Hawaii Oceanic Technology, Inc., Hawaii Aquaculture Association, and East Oahu County Farm Bureau testified in support of this bill. A concerned individual supported the intent of this measure. The Department of Land and Natural Resources, Food & Water Watch, and a concerned individual opposed this bill.

Your Committees has amended this bill by:

- (1) Removing the allowable maximum term of 65 years for existing aquaculture operations that have a favorable track record of ten years or more; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2409, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2409, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Har, Manahan, Morita, Takai, Tokioka, Wakai and Ching.

SCRep. 373-10 Hawaiian Affairs on H.B. No. 1818

The purpose of this bill is to support the successful transition from incarceration back to the community by directing the Department of Public Safety (DPS) to offer cognitive behavioral therapy with native Hawaiian holistic interventions in reentry/reintegration programs at Hawaii's correctional facilities.

The Community Alliance on Prisons, The Institute for Family Enrichment, LLC, Kanaka Council Moku O Keawe, and several concerned individuals testified in support of this bill. DPS opposed this measure. The Office of Hawaiian Affairs provided comments.

Concerns were raised that DPS may not have sufficient resources to fulfill this mandate. However, the provisions in this bill should not negatively impact DPS' financial resources, as the bill does not mandate the integration of behavioral therapy in all of its current reentry/reintegration programs, but only for new contracts. Accordingly, your Committee finds that this bill should be moved along in the process to continue the discussion.

Your Committee has amended this bill by:

- (1) Inserting a severability clause; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1818, H.D. 1.

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

SCRep. 374-10 Hawaiian Affairs on H.B. No. 1778

The purpose of this bill is to direct Na Ala Hele Program (Program) of the Department of Land and Natural Resources (DLNR) to designate public lands from Kaupo to Kapalua along the Pi'ilani trail as an important Hawaiian coastal cultural heritage corridor, and to study the establishment, repair, and preservation of the trail for public use.

The Maui County Council and Kanaka Council Moku O Keawe testified in support of this bill. DLNR opposed this measure. The Representative of the 11th District and the Office of Hawaiian Affairs provided comments.

Your Committee notes DLNR's budgetary concerns, but also finds that the Maui community is excited about the prospect of protecting this cultural resource that is important to the history of the Hawaiian people. Given the current restraints on the state budget, your Committee recommends that any funds necessary to carry out this project should be raised through community efforts to avoid placing further strains on the current budget crisis.

Further, concerns were raised that increased public access to this historical resource raises the potential risk of damage to sacred areas. Accordingly, your Committee has amended this bill by adding a requirement to consult the Hawaiian community when establishing, repairing, and preserving the trail for public use.

Your Committee has also amended this bill by:

- (1) Correctly reflecting the intent of this bill to actually designate the public lands from Kaupo to Kapalua along the Pi'ilani trail as an important Hawaiian coastal cultural heritage corridor, and not merely to study its feasibility;
- (2) Deleting Program reporting requirements to the Legislature that would have included a proposed budget;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1778, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 375-10 Hawaiian Affairs on H.B. No. 1796

The purpose of this bill is to establish the kupuna honorary degree program, which will award the pohaku degree to eligible Hawaiian kupuna. The Office of Hawaiian Affairs (OHA) will develop and administer the program, intended to be Hawaii's equivalent to the Nobel Prize.

OHA provided comments.

Your Committee notes a concern that too many awards given too frequently will dilute the value of the awards themselves.

Your Committee has amended this bill by changing "shall" to "may" to give OHA the flexibility to implement the program as financial resources become available.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1796, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 376-10 Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 2480

The purpose of this bill is to strengthen laws protecting archaeological sites and features of historic significance by:

- (1) Providing for the examination of any inadvertent destruction of an archaeological site or feature by persons with knowledge of Hawaiian culture;
- (2) Requiring the Department of Land and Natural Resources (DLNR) State Historic Preservation Division to submit a report to the Board of Land and Natural Resources on the historic significance and current state of the site, upon inadvertent destruction;
- (3) Giving oral history precedence when determining the historic significance of an archaeological site or feature unless otherwise demonstrated by scientific evidence; and
- (4) Making the willful alteration or destruction of an archaeological site or feature listed on the state or national register of historic places by a person who has actual knowledge of its historic status, a civil and administrative violation.

The Historic Hawaii Foundation, Kanaka Council Moku O Keawe, and numerous concerned individuals testified in support of this bill. DLNR opposed this measure. The Office of Hawaiian Affairs (OHA) and Society for Hawaiian Archaeology provided comments.

Your Committees have amended this bill by:

- (1) Changing the definition of "archaeological site" or "archaeological feature" to an illustration of what may be included as an archaeological site or feature;
- (2) Including a representative of OHA as an example of a person that may be called upon to examine an inadvertent destruction of an archaeological site or feature;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2480, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2480, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Brower, Cabanilla, Chong, C. Lee, Morita, Nishimoto and Thielen.

SCRep. 377-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 1926

The purpose of this bill is to ensure that the Department of Business, Economic Development, and Tourism (DBEDT) has adequate funding to continue to provide services and programs promoting economic development by:

- (1) Establishing a special fund for the operation of DBEDT;
- (2) Imposing a surcharge on certain business- and commerce-related fees that will be paid by businesses benefiting from the activities of DBEDT which is to be paid into a special fund; and
- (3) Requiring \$2,000,000 of the taxes imposed on banks and other financial corporations to be deposited into the special fund each year.

The Division of Financial Institutions, Department of Land and Natural Resources (DLNR), Department of Health (DOH), Hawaii Bankers Association, Hawaii Association of REALTORS, GCA of Hawaii, Hawaii Financial services Association, National Association of Social Workers, and Hawaiian Telcom opposed this measure. The Department of Commerce and Consumer Affairs (DCCA), Department of Budget and Finance, The Chamber of Commerce of Hawaii, Tax Foundation of Hawaii, and a concerned individual commented on this bill.

Your Committee finds that the activities of DBEDT enhance economic development and performance in the state, and should be supported, at least in part, by the businesses that those activities benefit.

Your Committee has amended this bill by:

- (1) Authorizing \$2,000,000 to be transferred out of the Compliance Resolution Fund of DCCA out of moneys that are not derived from regulatory fees, to address concerns about funding for the Division of Financial Institutions; and
- (2) Exempting the DOH, DLNR, and a telecommunications carrier that is the carrier of last resort from the surcharge requirement.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1926, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 378-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2441

The purpose of this measure is to direct effective stimulus to Hawaii's economy.

Specifically, the measure requires the Department of Hawaiian Home Lands; Department of Transportation; county boards of water supply; and county departments of housing, planning and permitting, and transportation to award public contracts within thirty days of the contract bid opening date.

Testimony in support of this measure was submitted by the Department of Hawaiian Home Lands and the General Contractors Association of Hawaii. The Department of Transportation supported this measure with amendments. Testimony in opposition to this measure was submitted by the State Procurement Office.

Your Committee believes that this measure will streamline the manner in which specified procurements are made, thereby funneling much-needed funds into local businesses and industries. Your Committee acknowledges that the realities of preparing and evaluating proposals for some types of projects may require more than thirty days to award a contract in a manner that provides the best value for the State.

Your Committee has amended this measure by:

- (1) Specifying that the time limit shall not apply if the lowest responsible bid exceeds the available funding for the contract;
- (2) Permitting an unspecified extension of time for contract negotiations with the lowest responsible bidder relating to considerations that could be beneficial to the public; and
- (3) Specifying that contracts for design professional services provided by licensees under chapter 464, Hawaii Revised Statutes, shall be awarded within forty-five days of the bid opening date; and
- (4) Making technical non-substantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2441, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 379-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2901

The purpose of this bill is to increase competition and the qualifications of offerors for design-build contracts by establishing a discretionary two-step request for proposals procurement process for construction contracts in which:

- (1) The design-build process is used;
- (2) Proposals are submitted by not more than five offerors, selected on the basis of their experience, past performance, capacity to complete the work on time, and location and familiarity with project location; and
- (3) Stipends are paid to unsuccessful offerors who authorize the agency to use elements of their designs and waive the ability to protest the award.

The American Council of Engineering Companies of Hawaii; Coalition of Hawaii Engineering and Architectural Professionals; InSynergy Engineering, Inc.; Brown and Caldwell; Libbey Heywood, Inc.; SSFM International, Inc.; Gray, Hong, Nojima & Associates, Inc.; Bow Engineering & Development, Inc.; KAI Hawaii, Inc.; The Limtiaco Consulting Group; MOSS Engineering, Inc.; and Kennedy/Jenks Consultants supported this bill. The Department of Accounting and General Services (DAGS) opposed this measure.

The preparation of a design-build proposal is a costly endeavor that may be too financially risky for most companies, particularly small and local businesses. For example, design-build teams have spent well over \$1,000,000 in developing proposals for the first segments of the Honolulu rail project.

The procedures in this bill will encourage the most qualified offerors to compete for the design-build contract, reduce procedural costs, and result in better-designed projects for Hawaii.

Your Committee has amended this bill based on the practice of other jurisdictions, and to respond to the concerns of DAGS by:

- (1) Reducing the stipend percentage from two percent to 0.5 percent based on information from other jurisdictions;
- (2) Increasing the lump sum portion of the stipend from \$5,000 to \$10,000, to make the stipend more reasonable for smaller projects;
- (3) Giving the purchasing agency discretion to increase the stipend percentage to 0.8 percent for complex or large contracts;
- (4) Capping stipends for any single contract at \$1,000,000; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests the Committee on Finance, to which this bill is next referred, to evaluate the financial impact of the stipend.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2901, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 380-10 Economic Revitalization, Business, & Military Affairs on H.B. No. 2984

The purpose of this bill is to continue to promote research activities by extending the Tax Credit for Research Activities for one year.

The Chamber of Commerce of Hawaii; High Technology Development Corporation; Archinoetics, LLC; Pukoa Scientific; Aurora Research, LLC; and several concerned individuals testified in support of this bill. The Hawaii Science & Technology Council supported the intent of this measure. The Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii provided comments.

Given the State's fiscal situation and the economic importance of the Tax Credit for Research Activities, your Committee respectfully requests the Committee on Finance to which this bill is next referred to examine the deferability and non-refundability aspects of this credit to make it as revenue neutral as possible.

Your Committee has amended this bill by:

- (1) Repealing section 235-110.51, Hawaii Revised Statutes (HRS), the Technology Infrastructure Renovation Tax Credit, and section 235-110.9, HRS, the High Technology Business Investment Tax Credit, immediately upon the enactment of this Act;
- (2) Adding a savings clause; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2984, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 381-10 Housing on H.B. No. 2318

The purpose of this bill is to help chronically homeless individuals by establishing a five-year Housing First pilot project administered by the Hawaii Public Housing Authority in collaboration with the Department of Human Services.

The Department of Community Services of the City and County of Honolulu and several concerned individuals testified in support of this bill. Partners in Care and a concerned individual supported the intent of this measure. Several concerned individuals opposed this bill. The Department of Budget and Finance, Department of Accounting and General Services, Department of Land and Natural Resources, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Parks for Homeless Special Fund (Special Fund) will receive funds from a portion of the conveyance tax, to be matched by each of the counties;
- (2) Including provisions that increase the conveyance tax by fifteen percent on homes valued at \$1,200,000 and over to fund the Special Fund; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2318, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

SCRep. 382-10 Judiciary on H.B. No. 2784

The purpose of this bill is to increase the monetary limit of claims that may be filed in small claims court.

A concerned individual supported this bill. A concerned individual opposed this measure. The Judiciary submitted comments.

Your Committee has amended this bill by:

- (1) Reducing the monetary limit of claims being filed in small claims court from \$7,000 to \$4,500 for the various categories of cases the small claims court handles;
- (2) Providing that either party in the cases has the option to elect between the procedures of the small claims division or the ordinary procedures of the district court;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2784, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 383-10 Legislative Management on H.B. No. 2144

The purpose of this bill is to ensure that the discussion of important issues that face our state, relating to our children and youth, and aged and elderly continues. Specifically, this bill statutorily establishes the joint legislative keiki caucus and joint legislative kupuna caucus.

The Hawaii Association for the Education of Young Children testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2144, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong and Evans.

SCRep. 384-10 Legislative Management on H.B. No. 2447

The purpose of this bill is to ensure that the Department of Business, Economic Development, and Tourism (DBEDT) is fiscally accountable by:

- (1) Requiring the Auditor to conduct management and fiscal audits of DBEDT's out-of-state offices at least every two years; and
- (2) Restoring the requirement that DBEDT comply with Chapter 40 (relating to audit and accounting) and Chapter 77 (relating to compensation), Hawaii Revised Statutes, in operating its out-of-state offices.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2447 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 385-10 Legislative Management on H.B. No. 2276

The purpose of this bill is to improve Hawaii's correctional system by requiring:

- (1) A correctional impact statement to accompany any legislation that creates a new offense, amends an existing offense or penalty, or changes existing sentencing, parole, or probation procedures; and
- (2) The Corrections Population Management Commission to assist in the preparation of the correctional impact statement to assess any impact the legislation will have on the corrections population.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and American Civil Liberties Union of Hawaii testified in support of this bill. The Department of Public Safety opposed this measure.

Your Committee has amended this bill by:

- (1) Limiting the bills that must be accompanied by a correctional impact statement to those that pass second reading in the originating body;
- (2) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2276, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2276, H.D. 1.

Signed by all members of the Committee except Representative Chong.

SCRep. 386-10 Legislative Management on H.B. No. 2902

The purpose of this bill is to statutorily specify the manner in which the State shall distribute revenues collected from cable operator franchise fees to support public, educational, or governmental (PEG) access facilities, services, or programming. Under this bill, the State would equally distribute these revenues to:

- (1) Accredited educational entities, institutions of higher education, and schools;
- (2) Governmental agencies; and
- (3) Public access organizations.

A Honolulu City Councilmember, the County of Hawaii Office of the County Clerk, six Kauai County Councilmembers, and several concerned individuals testified in support of this bill. A concerned individual supported this bill with amendments. The Department of Commerce and Consumer Affairs (DCCA), the State Representative from the 4th District, Akaku: Maui Community Television, Na Leo O Hawaii, All Believers Network, Hawaii People's Fund, Community Alliance on Prisons, Hawaiian Islands Journal, The League of Women Voters of Hawaii, Amitabha Educational Center, Shaka

Talk, Big Tree Productions, AfterDark CATV PRO, Hawaii Center for Independent Living, Olelo Community Media, Hawaii United Okinawa Association's Video Production Committee, and numerous individuals opposed this measure. A County of Maui Councilmember, the Association of Hawaiian Civic Clubs, TRH Ministries, and a concerned individual offered comments.

Currently, the Director of DCCA determines how franchise fees paid by cable operators to support PEG facilities and services are apportioned. However, your Committee finds that, especially during these difficult economic times, the amounts apportioned to support the broadcasting of governmental meetings and hearings are inadequate to meet the needs of the public. As a result, the Legislature as well as various county councils have found it necessary to set aside their own funding to contract for additional broadcasting of legislative events. For example, the Honolulu City Council annually budgets \$250,000 to broadcast its meetings, and the Legislature spends \$175,000 to broadcast its proceedings.

Your Committee supports efforts to enhance governmental agency and accredited educational entity programming by providing equal access to the hearing impaired and deaf community. At the same time, however, it is not your Committee's intent to reduce public access programming which provides a valuable service to the community.

Alternatives exist. Funding for improved broadcast and captioning of legislative proceedings may be available through better management of existing resources. For example, your Committee notes that Olelo Community Television maintains seven community media centers on Oahu. Such an extensive system incurs significant operating costs. Indeed, the Administrator of DCCA's Cable Television Division pointed out that while Olelo's desire to create community media centers is admirable, an organization cannot spend more than what it receives.

A second alternative is to identify new sources of funding.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting provisions that:

- (1) Direct the Auditor to review the basis and rationale of DCCA's current allocation of cable operator franchise fees to PEG access organizations, Hawaii Public Television Foundation, and DCCA's Cable Television Division;
- (2) Direct DCCA to contract for a financial review or audit of Olelo Community Television; and
- (3) Appropriate unspecified funds from DCCA's Compliance Resolution Fund for the financial review or audit.

The purpose of the Auditor's review is to:

- (1) Analyze the distribution of funds among the three entities; and
- (2) Determine whether DCCA should raise the cable operator franchise fee from 4.6 percent to five percent to provide additional funds for public access programming.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2902, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2902, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 387-10 Human Services/Health on H.B. No. 2983

The purpose of this bill is to make a technical amendment to the Department of Human Services' (DHS) reporting requirements on the use of psychotropic medication and budget impact of unrestricted access to psychotropic medications.

DHS offered comments.

Your Committees have amended this bill by:

- (1) Prohibiting DHS from imposing any restriction or limitation on the coverage for, or access to, psychotropic medications prescribed by licensed naturopathic physicians;
- (2) Requiring DHS to include psychotropic medications prescribed by licensed naturopathic physicians to its annual report identifying the use and budget impact of unrestricted access to psychotropic medications;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2983, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2983, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 388-10 Human Services on H.B. No. 2061

The purpose of this bill is to assist parents who serve in the United States (U.S.) Armed Forces or are public officials by requiring that the Family Court not unduly consider temporary absences related to official duties when determining the best interests of the child in custody and visitation hearings.

The Department of Defense, Oahu Veterans Council, Military Officers Association of America-Hawaii Chapter, The Chamber of Commerce of Hawaii, and a concerned individual testified in support of this bill. The U.S. Department of Defense and a concerned individual supported this measure with amendments. The Judiciary provided comments.

Your Committee respectfully acknowledges the importance of the military to the economic health and well-being of the state. Military families especially contribute their resources, both financial and personal, to the betterment of the entire community.

Accordingly, your Committee has amended this bill by deleting its contents and replacing them with provisions that statutorily establishes a process by which the Family Court can resolve matters regarding custody and visitation for members of the U.S. armed forces, armed forces reserves, and National Guard when the military duties of the service member require a temporary absence. This process provides, among other things:

- (1) That any modification to an existing custody or visitation order that takes place during a service member's temporary absence will be temporary;
- (2) Family Court judges the ability to expedite custody and visitation hearings under certain circumstances; and
- (3) That absent service members may use electronic means, under certain circumstances, to present testimony and evidence for custody and visitation hearings.

Your Committee has also amended this bill by changing the effective date to July 1, 2050, to encourage further discussion, and making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2061, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 389-10 Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on H.B. No. 2408

The purpose of this bill is to promote self-sufficiency in certain economic development programs by, among other things:

- (1) Requiring the Department of Taxation (DOTAX) to submit annual reports to the Legislature on the effectiveness of the Motion Picture, Digital Media, and Film Production Tax Credit (Tax Credit);
- (2) Renaming the Hawaii Television and Film Development Special Fund to the Hawaii Film Office Special Fund (Fund) and directing \$500,000 or an unspecified percentage of the economic development impact of the Tax Credit into the Fund;
- (3) Repealing the grant program and venture capital program associated with the Fund;
- (4) Specifying that the Fund be used for the operations of the Hawaii Film Office, including personnel costs;
- (5) Allowing the Hawaii Community-based Economic Development Revolving Fund to be used for the operations of the Community-based Economic Development Program and Enterprise Zone Program; and
- (6) Repealing the Hawaii Television and Film Development Board.

The Department of Business, Economic Development, and Tourism, DOTAX, Tax Foundation of Hawaii, and Hawaii Film and Entertainment Board offered comments.

Your Committee notes that there are other measures, including H.B. No. 2529 and H.B. No. 2382, that rename and make changes to the Hawaii Television and Film Development Special Fund. Those measures should be reviewed by subsequent committees hearing this measure to ensure consistency with this measure during the legislative process.

Your Committee has amended this bill by:

- (1) Removing the provisions that directed \$500,000 or an unspecified percentage of the economic development impact of the Tax Credit into the Fund;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2408, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2408, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 390-10 Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on H.B. No. 2681

The purpose of this bill is to establish a refundable tax credit in the amount of four percent of qualified construction or renovation costs for hotel facilities in the state, for taxable years beginning after December 31, 2009, and ending December 31, 2011.

The Waikiki Improvement Association, Wyndham Worldwide, Subcontractors Association of Hawaii, and Hawaii Hotel & Lodging Association testified in support of this bill. The Hawaii Tourism Authority; Tourism Liaison; Department of Business, Economic Development, and Tourism; and Outrigger Enterprises Group supported the intent of this measure. The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO opposed this bill. The Office of the Governor and Tax Foundation of Hawaii offered comments.

Your Committees note the concerns that expanding the tax credit to include other resort property structures, such as restaurants and shops, may result in a larger than expected financial impact. For example, Hawaii County has zoning laws for "resort nodes" which can be very large and may encompass golf courses, as well as structures. Your Committees encourage the counties to provide input regarding the impact of this measure, particularly with regard to the zoning of resort areas.

Your Committees have amended this bill by:

- (1) Changing the amount of the credit to:
 - (A) Seven percent of the construction or renovation costs between \$1,000,000 and \$10,000,000; and
 - (B) Ten percent of the construction or renovation costs over \$10,000,000 to a maximum of \$100,000,000;
- (2) Extending the credit to the taxable year ending December 31, 2015;
- (3) Making the credit non-refundable, but allowing excess of credit to be applied against taxpayer liability in subsequent years until the credit is exhausted;
- (4) Limiting the total tax credits that can be granted to \$50,000,000 per year;
- (5) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2681, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2681, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 391-10 Tourism, Culture, & International Affairs/Public Safety on H.B. No. 2778

The purpose of this bill is to increase fireworks-related fees and penalties and allocating a portion of the fees to each county to use for fireworks enforcement.

The Kauai Fire Department supported this bill. Legislative Information Services of Hawaii supported the intent of this measure. The County of Hawaii Fire Department, County of Maui Department of Fire & Public Safety, Honolulu Fire Department, State Fire Council, and a concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Removing provisions that would have increased fees for importers, wholesalers, storage sites, and retailer sites, and distributed the fees to the county fire and police departments;
- (2) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2778, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2778, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 392-10 Tourism, Culture, & International Affairs/Public Safety on H.B. No. 2790

The purpose of this bill is to broaden the authority of law enforcement officers to enforce the fireworks law and enhance penalties for fireworks violations. This measure also prohibits fireworks sales from tents and other temporary structures.

Pacific Fireworks and many concerned individuals supported this bill. The American Lung Association in Hawaii supported the intent of this measure. A concerned individual opposed this bill. The Department of the Attorney General, State Fire Council, Honolulu Fire Department, Hawaii Fire Department, Kauai Fire Department, County of Maui Department of Fire and Public Safety, Legislative Information Services of Hawaii, and many concerned individuals offered comments.

Your Committees have amended this bill by removing its contents and replacing it with contents that establish fines and penalties for fireworks-related violations and require the fines to be deposited toward the credit of the county in which the fine was imposed. The effective date was also changed to January 1, 2112, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2790, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2790, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 393-10 Agriculture on H.B. No. 2294

The purpose of this bill is to amend the agricultural inspection and biosecurity laws by:

- (1) Changing the pest inspection, quarantine, and eradication service fee (Fee) to a tax;
- (2) Making the Department of Taxation (DOTAX) responsible for collecting the tax;
- (3) Requiring fees and fines resulting from agricultural inspection to be deposited into the Pest Inspection, Quarantine, and Eradication Fund (PIQEF); and
- (4) Repealing the Permit Revolving Fund and Microorganism Import Certification Revolving Fund, and transferring the money from those funds into the PIQEF.

The Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Coordinating Group on Alien Pest Species, and Monsanto Hawaii testified in support of this bill. Alexander and Baldwin, Inc.; Hawaiian Cement; and Grace Pacific Corporation supported this measure with amendments. The Subcontractors Association of Hawaii opposed this bill. The Department of Agriculture (DOA), Tax Foundation of Hawaii, and The Nature Conservancy of Hawaii provided comments.

Your Committee notes concerns that changing the service fee to a tax may conflict with federal laws, such as the Anti-Head Tax Act. No additional funds have been allocated for this additional duty of DOTAX. And there would be a disconnect between the collection of the tax by DOA and the inspection services provided by DOA.

Your Committee has amended this bill by:

- (1) Imposing late fees for failure to pay the Fee, and fines for not paying the late fees;
- (2) Adding definitions of "aggregate bulk freight" and "coal bulk freight" and including them as exempt from the fee;
- (3) Including biosecurity in the list of services provided by DOA;
- (4) Increasing the expenditures of the PIQEF to include training and education of inspectors, the processing and issuance of permits and microorganism certificates, and monitoring of permitted and certified plants and animals;
- (5) Adjusting the timeline for payment of the fee;
- (6) Changing the tax back to a Fee and making DOA responsible for collecting the Fee;
- (7) Requiring that fees for nursery stock certification be deposited into the PIQEF;
- (8) Establishing a fee schedule for services, including inspection, certification, treatment or destruction of infestations, quarantine, and storage; and
- (9) Appropriating \$10,000,000 from the PIQEF for fiscal year 2010-2011.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 394-10 Economic Revitalization, Business, & Military Affairs/Labor & Public Employment on H.B. No. 2558

The purpose of this bill is to provide businesses with an incentive to create jobs and employ Hawaii residents by establishing a Job Creation Tax Credit equal to the amount of each new permanent full-time employee's wages withheld for state taxes with a single withholding allowance.

The Office of the Governor, Department of Taxation, Department of Business, Economic Development, and Tourism, and Hawaii Building and Construction Trades Council, AFL-CIO, supported this bill. The Hawaii Government Employees' Association opposed the intent of this bill. Tax Foundation of Hawaii commented.

Your Committees respectfully request the Committee on Finance, to which this measure is next referred, to examine how this measure might mesh with the overall financial plan for the State.

To encourage further discussion of this measure, your Committees have amended this bill by changing the effective date to July 1, 2112.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2558, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2558, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana and Pine.

SCRep. 395-10 Economic Revitalization, Business, & Military Affairs/Consumer Protection & Commerce on H.B. No. 2698

The purpose of this bill is to position Hawaii for global competitiveness in the 21st century by establishing the Hawaii Broadband Commission (Commission) and the Hawaii Broadband Commissioner (Commissioner) to increase access to broadband communications for all households, businesses, and organizations throughout the state.

The High Technology Development Corporation supported this bill. Oceanic Time Warner Cable and Hawaiian Telecom supported the intent of this measure. The Department of Budget and Finance; Honolulu Police Department; AT&T; T-Mobile USA, Inc.; and Verizon Wireless opposed this bill. The Department of Commerce and Consumer Affairs, Department of Information Technology for the City & County of Honolulu, and tw telecom submitted comments.

Your Committees find that Hawaii must develop its broadband infrastructure and increase broadband access if we are to make advances in education, the economy, civic participation, healthcare, and many other areas essential to the community's well-being.

Your Committees have amended this bill by:

- (1) Removing the Wireless Enhanced 911 Fund as a funding source, and inserting an appropriation from the general fund;
- (2) Specifying that the lists of nominees for the Commission and the Commissioner are to be assembled by the Speaker of the House of Representatives;
- (3) Removing language allowing the Commissioner to vote on the removal of a Commission member in the event of a tie;
- (4) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2698, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2698, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Carroll, Manahan, Mizuno, Takai and Wooley.

SCRep. 396-10 Public Safety on H.B. No. 387

The purpose of this bill is to help provide additional support to the Director of Civil Defense in the event of a disaster by establishing the Inmate Disaster Relief Labor Program under the Department of Public Safety (DPS).

DPS and the Department of Defense provided comments on this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 387 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Yamashita and Pine.

SCRep. 397-10 Public Safety on H.B. No. 2266

The purpose of this bill is to help ensure the safety of incarcerated individuals by requiring the Department of Public Safety (DPS) to actively address sexual assault in prison and report on their efforts and relevant data to the Legislature.

The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, Planned Parenthood of Hawaii, and a concerned individual testified in support of this bill. DPS supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana and Pine.

SCRep. 398-10 Public Safety on H.B. No. 2718

The purpose of this bill is to protect the health and safety of the residents of and visitors to Hawaii by allowing the Governor to:

- (1) Order and direct state or local government agencies, officers, and employees, to take actions and employ measures necessary to mitigate hazardous situations; and
- (2) Authorize state or local agencies, officers, and employees to enter private property at reasonable times to investigate, determine, or mitigate situations deemed by the governor to be hazardous to the health and safety of the public, even in the absence of a civil defense activity or other emergency.

The State Department of Defense testified in support of this bill. The Mayor of the City and County of Honolulu testified in opposition to this measure.

Although your Committee understands the concerns raised by the City and County of Honolulu regarding the issue of home rule and that there may be liability issues that this bill does not address, the mitigation of possibly hazardous conditions through this process contained in this measure warrants further consideration.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2718 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Yamashita and Pine.

SCRep. 399-10 Public Safety/Health on H.B. No. 1930

The purpose of this bill is to allow probationers and parolees who meet the requirements of qualifying patients to request that the terms of their probation or parole be modified to be allowed the use of medical marijuana.

The American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, Advocates for Consumer Rights, and several concerned individuals testified in support of this bill. The Drug Policy Action Group supported the intent of this measure. The Department of Public Safety provided comments.

Your Committees have amended this bill by:

- (1) Specifying that the probationer or parolee requesting a modification cannot have had a felony drug conviction;
- (2) Changing the term "treating physician" to "primary care physician";
- (3) Changing the effective date to December 21, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1930, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1930, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Carroll, Saiki, Finnegan and Pine.

SCRep. 400-10 Housing on H.B. No. 2280

The purpose of this bill is to assist the homeless by establishing a voluntary Return-to-Home program within the Hawaii Public Housing Authority (Authority) to provide assistance to eligible homeless persons to reunite with family in their home state.

Several concerned individuals supported this bill. A concerned individual supported the intent of this measure. The Department of Accounting and General Services and several concerned individuals opposed this bill. The Department of Budget and Finance and Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by:

- (1) Requiring the Authority to contact family members of program participants to obtain funding to assist with returning them to their home state;

- (2) Clarifying that the Parks for Homeless Special Fund (Special Fund) will receive funds from a portion of the conveyance tax, matched by each of the counties;
- (3) Including provisions that increase the conveyance tax by fifteen percent on homes valued at \$1,200,000 and over to fund the Special Fund; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2280, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.
(Representative Thielen voted no.)

SCRep. 401-10 Judiciary on H.B. No. 1942

The purpose of this bill is to help honorably discharged veterans who have committed crimes, as well as address prison overcrowding, by establishing a temporary Veterans Court at the State Circuit Court level.

The Oahu Veterans Council, Mental Health America of Hawaii, The Chamber of Commerce of Hawaii, Adjutant General of the Department of Defense, and a concerned individual testified in support of this bill. The Office of Veterans Services and City and County of Honolulu Department of the Prosecuting Attorney supported the intent of this measure but asked to amend the language of this measure. The Judiciary supported the intent of this bill but not the implementation of it.

Your Committee finds that the aberrant behavior displayed by these veterans may have been caused by stresses experienced through their service to our country. These veterans may not need incarceration, but rather treatment.

Your Committee is informed that many convicted, qualifying veterans have been placed in Adult Court, Drug Court, or HOPE Court, and there may be overlap in or duplication of services without proper screening of qualifying veterans.

Although your Committee recognizes that the Judiciary may be facing further budget cuts and reductions, affecting its ability to provide services through its existing specialty courts, your Committee believes that the establishment of a Veterans Court warrants further discussion.

Your Committee notes that although some testimony mentioned the availability of federal funding, there were no concrete representations that such funding would be available for the operations of the Veterans Court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 402-10 Judiciary on H.B. No. 2752

The purpose of this bill is to promote safety on Hawaii's roadways by enacting the recommendations of the Ignition Interlock Implementation Task Force (Task Force) established under Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Prohibits an individual who has been restricted to operating a vehicle with an ignition interlock device to knowingly circumvent or tamper with the device to operate the vehicle and provides for penalties for such a violation;
- (2) Prohibits individuals from knowingly assisting or abetting the circumvention or tampering of an ignition interlock device and provides penalties for such actions;
- (3) Provides for a definition of "valid license" and repeals the definition of "highly intoxicated driver";
- (4) Repeals evidence of intoxication parameters for highly intoxicated drivers;
- (5) Specifies that ignition interlock devices be certified by an independent laboratory to meet or exceed the guidelines published by the National Highway Traffic Safety Administration;
- (6) Provides for the annual auditing of the vendor selected for the installation and maintenance of ignition interlock devices by the Department of Transportation (DOT);
- (7) Allows the Director of DOT to require the vendor to pay for all or part of the costs incurred in conducting the audit;
- (8) Requires a respondent to obtain an ignition interlock permit to operate a vehicle during a revocation period if the respondent had a valid driver's license at the time of the arrest;
- (9) Provides for notice of when outstanding motor vehicle number plates must be surrendered and that failure to surrender the plates as required is a misdemeanor offense;

- (10) Eliminates probationary provisions for convicted second and third offenders and provides for the existing practice of "proof of compliance" to be used for all convicted offenders;
- (11) Provides for the loss of the privilege to operate a motor vehicle equipped with an ignition interlock device upon conviction of operating a vehicle after a license has been suspended or revoked for operating a vehicle under the influence of an intoxicant; and
- (12) Repeals the provisions establishing an Ignition Interlock Special Fund, surcharges for installation of ignition interlock devices, and funding for the cost of installing and operating ignition interlock devices in the vehicles of persons who are indigent.

DOT, Department of Health, City and County of Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, and Mothers Against Drunk Driving Hawaii testified in support of this bill. The Office of the Public Defender opposed this measure. The Judiciary offered comments.

Your Committee has amended this bill by:

- (1) Deleting language that provides penalties for a second offense of assisting or abetting the circumvention of, or tampering with, an ignition interlock device;
- (2) Deleting language that establishes a person's refusal to submit to a breath, blood, or urine test to determine the alcohol concentration or drug content in the person, as a petty misdemeanor;
- (3) Removing the prohibition on issuing a conditional license permit to a respondent who is a highly-intoxicated driver;
- (4) Deleting language that repeals the establishment of an Ignition Interlock Special Fund, surcharges for installation of ignition interlock devices, and funding for the cost of installing and operating ignition interlock devices in the vehicles of persons who are indigent; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2752, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2752, H.D. 2.

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

SCRep. 403-10 Judiciary on H.B. No. 2377

The purpose of this bill is to improve the accountability of Hawaii's public education system by requiring the members of the Board of Education (BOE) to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor from lists of qualified candidates presented to the Governor by the Board of Education Selection Advisory Council (Council).

The Hawaii Business Roundtable, Hawaii's Children First, Hawaii Association of Independent Schools, and Searider Productions testified in support of this bill. The Board of Education and Hawaii State Teachers Association opposed this measure. The Hawaii Government Employees' Association offered comments.

Your Committee has amended this bill by:

- (1) Specifying that all employees currently serving on BOE, with the exception of BOE's executive director, shall continue to be employees of the Department of Education (DOE) even after the institution of the appointment process for BOE members;
- (2) Specifying that BOE's executive director shall no longer be a DOE employee and shall serve at BOE's pleasure;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2377, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2377, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla and Luke.
(Representatives Carroll, McKelvey and Souki voted no.)

SCRep. 404-10 Judiciary on H.B. No. 2003

The purpose of this bill is to improve the campaign system and process by updating, organizing, and clarifying current campaign finance laws.

The State Campaign Spending Commission and League of Women Voters of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the term "advertisement" does not mean an editorial or letter to the editor distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless they are owned or controlled by any candidate committee or noncandidate committee;
- (2) Making the term "fundraiser" applicable to the entire chapter;
- (3) Specifying that the treasurer of the candidate committee be one of the individuals required to file preliminary, final, and supplemental reports;
- (4) Specifying that the chairperson and treasurer of a party of a noncandidate committee are the individuals required to file preliminary, final, and supplemental noncandidate committee reports;
- (5) Removing candidate expenditures from a list of expenditures required to be itemized on schedules filed with non-candidate committee reports;
- (6) Specifying that the treasurer of a noncandidate committee that is not a party shall file the late contribution report;
- (7) Requiring a candidate, candidate committee, or noncandidate committee to keep a record of the contribution, in addition to issuing a receipt to the contributor, when accepting a contribution of more than \$100 in cash from a single person;
- (8) Removing language specifying the conditions under which contributions from State and county contractors are prohibited;
- (9) Removing language limiting contribution amounts to noncandidate committees;
- (10) Requiring a limited liability company to provide information to the party, noncandidate committee, or candidate committee receiving the contribution specifying how the contribution is to be attributed at the time the company makes the contribution;
- (11) Stipulating that campaign funds may be used by a candidate, treasurer, or candidate committee to make donations to:
 - (A) Any community service, educational, youth, recreational, charitable, scientific, or literary organization; provided that the total amount of all contributions is not more than twice the maximum amount that one person may contribute to that candidate in any election period; and
 - (B) Any public school or public library with certain restrictions;
- (12) Specifying that an affidavit to voluntarily limit a candidate's expenditures shall remain in effect until the termination of the registration of the candidate committee or the opening of the filing of nomination papers for the next succeeding election;
- (13) Specifying that the aggregate expenditures for each election by a candidate who voluntarily agrees to limit campaign expenditures shall not exceed \$1.40 multiplied by the number of voters in the last preceding general election registered to vote in the voting district for county council members under partial public funding; and
- (14) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2003, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 405-10 Judiciary on H.B. No. 2004

The purpose of this bill is to make various amendments to campaign finance laws by, among other things:

- (1) Clarifying the law as it pertains to contributions to ballot issue committees;
- (2) Defining "automated phone call";
- (3) Repealing a provision requiring the Elections Commission (Commission) to adopt a code of fair campaign practices as a part of its rules;
- (4) Requiring that contributions be deposited in a depository institution located in the state;
- (5) Imposing an unspecified limit on contributions and expenditures to a noncandidate committee;
- (6) Requiring expenditures greater than \$1,000 in the aggregate in a two-year election period to go solely through the noncandidate committee;
- (7) Authorizing the Commission to assess fines for untimely, defective, or deficient reports; and
- (8) Requiring certain candidate information to appear on web pages or be stated at the beginning of an automated phone call.

The Campaign Spending Commission, League of Women Voters of Hawaii, and Hawaii Transportation Association supported this bill. The Americans for Democratic Action-Hawaii Chapter and Common Cause Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Removing provisions relating to limitations on contributions and expenditures to a noncandidate committee;
- (2) Clarifying the requirements for information that must be placed on every website that contains an advertisement, including defining a "home page of a web site"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

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

SCRep. 406-10 Public Safety on H.B. No. 415

The purpose of this bill is to effectuate its title.

H.B. No. 415 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the action to report out H.B. No. 415, as amended herein, and recommends that it be recommitted to the Committee on Public Safety, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 415, H.D. 1.

Signed by all members of the Committee except Representatives Nakashima, Saiki, Souki, Takumi and Pine.

SCRep. 407-10 Energy & Environmental Protection on H.B. No. 2427

The purpose of this measure is to extend from five years and as necessary to ten years the required interval for a county to submit a revised integrated solid waste management plan.

Your Committee received testimony in support of this measure from the Department of Environmental Services of the City and County of Honolulu, the Department of Environmental Management of the County of Hawaii, and the Department of Health.

Your Committee finds that the required interval of five years does not provide adequate time for a county to analyze and predict solid waste trends. Moreover, the process of analyzing one complete year of data and to organize and write a revised plan can take well over two years, effectively compelling a county to work continuously to update the plan throughout the five-year period.

Your Committee has amended this measure by:

- (1) Adding a new section that explains the rationale for extending the interval from five to ten years; and
- (2) Deleting the phrase "and as necessary" following "ten years"; and
- (3) Renumbering remaining sections of the bill consecutively.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2427, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Chong, Herkes, Luke and Sagum.

SCRep. 408-10 Consumer Protection & Commerce on H.B. No. 2136

The purpose of this bill is to address any ambiguity between federal law and the Hawaii Nonprofit Corporations Act by allowing current distributions by nonprofit corporations to their nonprofit members and affiliates, provided that the distributions are in accordance with the distributing nonprofit corporations' purposes and will not jeopardize their liquidity.

The Queen's Health Systems and Hawaii Pacific Health testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2136 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 409-10 Consumer Protection & Commerce on H.B. No. 2286

The purpose of this bill is to help captive insurance companies maintain competitiveness by, among other things:

- (1) Amending the frequency of statutorily required captive insurance company examinations to once every five years, unless otherwise required by the Insurance Commissioner (Commissioner);
- (2) Requiring risk retention captive insurance companies to undergo examination within three years of formation; and
- (3) Clarifying that protected cell accounts established by sponsored captive insurance companies are to be organized and operated under specified forms authorized by the Commissioner.

The Commissioner, Hawaii Captive Insurance Council, Beecher Carlson, and many concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2286 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 410-10 Consumer Protection & Commerce on H.B. No. 2197

The purpose of this bill is to give boards of directors authority to install or allow the installation of solar or wind energy devices on the common elements of condominiums.

Island Pacific Energy; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Solar Energy Association; Blue Planet Foundation; and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2197, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Mizuno.

SCRep. 411-10 Transportation on H.B. No. 2351

The purpose of this bill is to preserve the integrity of the special license plates available to veterans of military service by requiring that applicants for the special veterans license plates include a copy of their most recent discharge paper or separation document that indicates an honorable or general discharge from active duty.

The Department of Customer Services of the City and County of Honolulu, Office of Veterans' Services, and Oahu Veterans Council testified in support of this bill.

Veteran license plates identify individuals who have provided military service to this country and are a small symbol of the gratitude of the general public for their honorable service. Individuals with a less than honorable discharge should not be afforded this recognition, a recognition they can receive under current statutes. This measure addresses this issue by requiring veterans to provide proof of their honorable discharge to obtain a veteran license plate.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2351 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives M. Lee, Rhoads, Saiki and Pine.

SCRep. 412-10 Finance on H.B. No. 1901

The purpose of this bill is to help improve the efficiency of voter equipment procurement by establishing an alternate procurement process for voter equipment. This alternate process will exempt voter equipment procurement from the Hawaii Public Procurement Code.

The Office of Elections and Attorney General testified in support of this bill. The State Procurement Office opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the sunset date to June 30, 2011, to allow an additional six months; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1901, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1901, H.D. 2.

Signed by all members of the Committee.

SCRep. 413-10 Finance on H.B. No. 2169

The purpose of this bill is to assist employers and employees by adjusting the unemployment insurance (UI) contribution rates for employers and the benefit amounts paid to employees from the UI trust fund while maintaining adequate reserves in the UI trust fund. Specifically, this bill:

- (1) Sets, for calendar year 2010, the employer contribution rate at schedule D and the wage base at 90 percent of the average annual wage;
- (2) Sets, for calendar year 2011, the employer contribution rate at schedule G;
- (3) Requires that the UI contribution rate schedules be determined semi-annually rather than annually beginning in 2012;
- (4) Establishes for recalculation of the adequate reserve fund using a ratio of one and one-quarter rather than one and one-half beginning in 2011; and
- (5) Makes permanent the provision that sets the maximum weekly benefit rate at 75 percent of the average weekly wage, beginning January 1, 2011.

This measure further authorizes special assessments to be made upon employers to pay the interest costs on loans received from the U.S. Secretary of Labor to pay expected UI benefit claims.

The Hawaii Business League; Hawaii Medical Service Association; and Big Island Jewelers, Ltd. testified in support of this bill. North Shore Equipment Rentals, LLC.; Hilo Coffee Mill; Pizza Bob's in Haleiwa; and City Mill Company, Ltd. opposed this measure. The Chamber of Commerce of Hawaii; Department of Labor and Industrial Relations; Kona-Kohala Chamber of Commerce; Retail Merchants of Hawaii; Hawaii Crop Improvement Association; Hawaii Hotel & Lodging Association; Ocean Tourism Coalition; Molokai Chamber of Commerce; Makana Charter & Tours, Inc.; Liko Kauai Cruises, Inc.; Vantaggio HR, Ltd.; AMV Air Conditioning, Inc.; Maui Classic Charters; Hawaii Restaurant Association; Cyanotech; Building Industry Association of Hawaii; Audio Visual Services Hawaii, Corp.; Hawaii Credit Union League; Aloha Insurance Services, Inc.; Shell Management Hawaii, Inc.; Hilo Rite Care Center; ProService Hawaii; Meadow Gold Dairies; Fair Wind, Inc.; HST, Inc.; Smith's Motor Boat Service, Inc.; T S Restaurants; C&T Restaurants LLC.; SVC-Hawaii L.P.; Pono Kai Resort; National Federation of Independent Business; Syngenta Hawaii; Hawaiki Tower; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company; Midas Hawaii; Hawaiian Airlines; Paradise Entertainment Group, L.P.; Maui Chamber of Commerce; Japanese Chamber of Commerce and Industry of Hawaii; Island Landscape; Gentry Homes, Ltd.; Monsanto Company; Hawaii Alliance of Nonprofit Organizations; Watanabe Floral, Inc.; United Public Workers, Local 646; Kauai County Farm Bureau; Araki-Regan & Associates, LLC.; General Contractors Association of Hawaii; Team Clean, Inc.; Expeditions Maui-Lanai Ferry; Horizon Financial; Hilton Grand Vacations Club; Vacation Ownership Resorts; Marriott's Maui Ocean Club; The Limtiaco Company; Aloha V.I.P. Tours, Inc.; Ito En (USA) Inc.; Castle & Cooke Hawaii; Maui Hotel & Lodging Association; Germaine's Luau, Inc.; Highway Inn; Ho'okipa Catering; Dhucks; Ogawa, Lau, Nakamura & Jew Attorneys At Law, A Law Corp.; Hawaii Dental Association; Contract Furnishers of Hawaii, Inc. dba Office Pavilion; Finance Enterprises; KAI Hawaii, Inc.; Ocean Network LLC.; Ruby's Diner; Four Seasons Resort Maui; Four Seasons Resort Lanai at Manele Bay; Four Seasons Resort Lanai; The Lodge at Koele; ERGObaby; Credit Associates of Maui; Hilton Hawaiian Village Beach Resort & Spa; Popeyes Louisiana Chicken; Totally Hawaiian Gift Gallery; Hawaii Government Employees Association; Hawaii State AFL-CIO; ILWU, Local 142; Hawaii Operating Engineers Industry Stabilization Fund; Doo Kan, Inc. dba Hawaii Popcorn Company; Hawaii Island Chamber of Commerce; The Arc of Hilo; Activities & Attractions Association of Hawaii; and RDH Incorporated submitted comments.

Your Committee has amended this bill by:

- (1) Setting, for calendar years 2010 and 2011, the wage base at 90 percent of the average annual wage;
- (2) Setting the employer contribution rate at schedule D for calendar year 2010 and schedule F for calendar year 2011;
- (3) Deleting the requirement that the UI contribution rate schedules be determined semi-annually rather than annually beginning in 2012;
- (4) Establishing for recalculation of the adequate reserve fund using a ratio of one rather than one and one-quarter beginning in 2011;
- (5) Making the provision setting the maximum weekly benefit rate at 75 percent of the average weekly wage effective until December 31, 2011, and providing for the percentage to be returned to 70 percent on January 1, 2012;
- (6) Allowing for special assessments upon employers to pay the principal, in addition to the interest costs, on loans received from the U.S. Secretary of Labor;
- (7) Requiring the Director of Labor and Industrial Relations to develop a mechanism of assessing the special assessments in item (6) above among employers in a fair and equitable manner; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2169, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2169, H.D. 2.

Signed by all members of the Committee.

SCRep. 414-10 Finance on H.B. No. 2594

The purpose of this bill is to effectuate its title.

H.B. No. 2594 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 2594, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2594, H.D. 1.

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

SCRep. 415-10 Human Services on H.R. No. 10

The purpose of this resolution is to request the Department of Human Services (DHS) to create a database resource website to house real-time availability of all juvenile services for their placement.

A concerned individual submitted testimony in support of this resolution.

Your Committee wishes to state that the current practice for placing juveniles in programs is often difficult. These difficulties are due to limited program options, lack of knowledge of placement availability in real time, and determining the level of care most appropriate to the juvenile.

Your Committee also finds that inappropriate placement of the juvenile can lead to developmental hardship and decreased recovery and rehabilitation efforts. The best way to address this issue is to allow those involved to be able to find appropriate levels of care with up-to-date availability and placement. This can be done through a real-time database website that will allow probation officers, judiciary, community agencies, social workers, families, etc. to access the most viable program for the juvenile's unique needs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 10 and recommends that it be referred to the Committee on Finance.

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

SCRep. 416-10 Human Services on H.C.R. No. 19

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to create a database resource website to house real-time availability of all juvenile services for their placement.

A concerned individual submitted testimony in support of this resolution.

Your Committee wishes to state that the current practice for placing juveniles in programs is often difficult. These difficulties are due to limited program options, lack of knowledge of placement availability in real time, and determining the level of care most appropriate to the juvenile.

Your Committee also finds that inappropriate placement of the juvenile can lead to developmental hardship and decreased recovery and rehabilitation efforts. The best way to address this issue is to allow those involved to be able to find appropriate levels of care with up-to-date availability and placement. This can be done through a real-time database website that will allow probation officers, judiciary, community agencies, social workers, families, etc. to access the most viable program for the juvenile's unique needs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19 and recommends that it be referred to the Committee on Finance.

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

SCRep. 417-10 Human Services on H.R. No. 11

The purpose of this resolution is to request the Department of Human Services (DHS) to investigate the domestic abuse endured by men and initiated by women in Hawaii.

Your Committee recognizes that the most commonly recognized facts about domestic abuse focus on women being preyed upon by men. Though, there is an often ignored side of domestic abuse – those perpetrated by women against men. But, because this side of the domestic abuse issue is

widely unacknowledged, most domestic abuse-related concerns address only male violence. However, according to various studies, approximately 835,000 men are battered each year. This, in and of itself, is reason enough to believe that cases involving female domestic violence may exist here in the State. Therefore, it would be prudent to investigate further.

Concerned individuals expressed their testimonies in opposition to this resolution.

The Domestic Violence Action Center (DVAC) submitted comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 11 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 418-10 Human Services on H.C.R. No. 49

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to investigate the domestic abuse endured by men and initiated by women in Hawaii.

Your Committee recognizes that the most commonly recognized facts about domestic abuse focus on women being preyed upon by men. Though, there is an often ignored side of domestic abuse – those perpetrated by women against men. But, because this side of the domestic abuse issue is widely unacknowledged, most domestic abuse-related concerns address only male violence. However, according to various studies, approximately 835,000 men are battered each year. This, in and of itself, is reason enough to believe that cases involving female domestic violence may exist here in the State. Therefore, it would be prudent to investigate further.

Concerned individuals expressed their testimonies in opposition to this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 419-10 Human Services on H.R. No. 21

The purpose of this resolution is to request the auditor to perform a financial and management audit of the Child Support Enforcement Agency.

The Attorney General provided comments on this measure.

Your Committee finds that the Child Support Enforcement Agency has one of the highest caseload to caseworker ratios in the nation. In order to ensure that the Child Support Enforcement Agency is fulfilling its purpose of helping families by promoting self-sufficiency, your Committee finds that an audit is necessary in finding ways to reduce the caseworker to caseload ratio.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 21 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 420-10 Human Services on H.C.R. No. 61

The purpose of this concurrent resolution is to request the auditor to perform a financial and management audit of the Child Support Enforcement Agency.

The Attorney General provided comments on this measure.

Your committee finds that the Child Support Enforcement Agency has one of the highest caseload to caseworker ratios in the nation. In order to ensure that the Child Support Enforcement Agency is fulfilling its purpose of helping families by promoting self sufficiency, your committee finds that an audit is necessary in finding ways to reduce the caseworker to caseload ratio.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 421-10 Hawaiian Affairs on H.C.R. No. 8

The purpose of this concurrent resolution is to urge that portraits of officials of the provisional government of Hawai`i be removed from display in position of honor in state government buildings.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, and a concerned individual testified in support of this concurrent resolution. One concerned individual testified in support with suggested amendments to this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8 and recommends that it be referred to the Committee on Finance.

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

SCRep. 422-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2546

The purpose of this bill is to enhance consumer protections in professional and vocational licensing by replacing open ended license restoration periods in the chiropractor, real estate broker, and real estate salesperson licensing laws, with specific time periods. This bill also provides that a licensee who fails to apply for restoration of a forfeited license within the restoration period must apply for licensure as a new applicant.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Board of Chiropractic Examiners, Hawaii Real Estate Commission, Hawaii Association of REALTORS, and Hawaii State Chiropractic Association supported this bill.

Your Committees find that the two-year restoration period for chiropractors, and five-year period for real estate brokers and salespersons, will ensure licensee competency and consumer protection.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2546 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Luke, McKelvey, Mizuno, B. Oshiro and Tsuji.

SCRep. 423-10 Public Safety on H.B. No. 2016

The purpose of this bill is to allow the counties the authority to determine appropriate appointment and removal procedures for county police chiefs pursuant to each county's charter.

The Hawaii Council of Mayors supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2016 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Awana, Yamashita and Pine.

SCRep. 424-10 Transportation on H.B. No. 2371

The purpose of this bill is to clarify that an owner of a commercial motor vehicle having a United States Department of Transportation (USDOT) number for interstate commerce, as required by the USDOT, shall be allowed to enter harbors of the State for the purpose of transportation of goods interstate.

The Department of Transportation (DOT) opposed this bill. The Hawaii Transportation Association submitted comments.

Your Committee recognizes that geographic barriers prohibit Hawaii's truckers from traveling interstate, so the requirement for local truckers to obtain USDOT numbers for interstate commerce to be allowed harbor access seems to be a hardship. However, while DOT has expressed its concerns regarding the possible loss of federal grants if this law were to be enacted and that the USDOT considers any carrier hauling commodities shipped from out-of-state or that will be shipped out-of-state to be an interstate carrier, your Committee finds that further discussion of the issue is warranted.

Your Committee has amended this bill by:

- (1) Allowing a motor vehicle with a USDOT number for intrastate commerce, rather than interstate commerce, to enter a commercial harbor; and
- (2) Prohibiting DOT from requiring a USDOT number for interstate commerce, rather than intrastate commerce, to enter a commercial harbor.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2371, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 425-10 Consumer Protection & Commerce on H.B. No. 2304

The purpose of this bill is to address concerns regarding unlicensed activities on construction job sites. This bill ensures the presence of licensed workers by requiring that:

- (1) Licensed electrical, plumbing, and elevator mechanic workers shall wear their licenses at the job site; and

- (2) At least half of all individuals performing elevator mechanic work on the job site shall be licensed.

The Hawaii State AFL-CIO, Hawaii Electricians Training Fund, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Commerce and Consumer Affairs' (DCCA), Elevator Mechanics Licensing Board, International Brotherhood of Electrical Workers Local Union No. 1186, and United Association of Plumbers and Fitters of Hawaii, Local 675 also supported this measure with amendments. DCCA's Regulated Industries Complaints Office and Contractors License Board offered comments.

Your Committee has amended this bill by:

- (1) Requiring that licenses displayed at the job site shall be identification issued by DCCA;
- (2) Specifying that individuals who do not display their licenses shall be counted as being unlicensed for purposes of fulfilling the requirement that at least half of all workers performing electrical, plumbing, or elevator mechanic work at the job site be licensed; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2304, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Ito, Karamatsu, McKelvey and Marumoto.

SCRep. 426-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2132

The purpose of this bill is to strengthen protections for mortgage consumers by requiring lenders, 45 days prior to initiating foreclosure proceedings, to mail to their mortgagor a notice of default advising the mortgagor of the availability of counseling through federal Department of Housing and Urban Development (HUD) approved counseling agencies, and the toll-free telephone number and website address for information on no-cost mortgage counseling services approved by HUD.

The Legal Aid Society of Hawai'i and ILWU Local 142 supported this bill. Hawaii Bankers Association and Hawaii Credit Union League opposed the bill. The Department of Commerce and Consumer Affairs commented on the measure.

Your Committees find that many homeowners facing foreclosure are unaware of their options, or of where they might go for information and assistance. Providing a homeowner with access to this information in advance of foreclosure proceedings will give the homeowner a better chance of avoiding foreclosure and the loss of their home.

Your Committees have amended this bill to encourage further discussion by changing its effective date to January 1, 2050.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2132, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 427-10 Energy & Environmental Protection/Water, Land, & Ocean Resources/Agriculture on H.B. No. 2450

The purpose of this bill is to expand the exemption from subdivision requirements to include renewable energy facilities approved or permitted by the Land Use Commission or a county planning commission, or the Board of Land and Natural Resources.

Castle & Cooke Hawaii supported this bill with amendments. The Department of Agriculture, Department of Land and Natural Resources, and a concerned individual offered comments.

Act 173, Session Laws of Hawaii 2009 (Act 173), only permitted solar energy facilities on class D or E rated agricultural lands and wind energy facilities on conservation lands, without the need to comply with subdivision requirements. Your Committees have amended this bill by inserting a purpose and findings section to clarify the intent of the bill, which is to expand the scope of Act 173 to include any renewable energy facilities on agricultural district lands as approved by the Land Use Commission or county planning commissions and on conservation district lands as approved by the Board of Land and Natural Resources. Renewable energy not only includes the sun and wind, but also energy generated or produced using biogas, geothermal, biomass, biofuels, hydrogen, and ocean water, currents, and waves.

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2450, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2450, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Choy, Har, McKelvey, Takai, Wakai, Ching and Marumoto.

SCRep. 428-10 Hawaiian Affairs on H.B. No. 674

The purpose of this bill is to effectuate its title.

H.B. No. 674 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 674, as amended herein, and recommends that it be recommitted to the Committee on Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 674, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno and Yamane.

SCRep. 429-10 Finance on H.B. No. 40

The purpose of this bill is to effectuate its title.

H.B. No. 40 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the action to report out H.B. No. 40, as amended herein, and recommends that it be recommitted to the Committee on Finance, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 40, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Sagum and Wooley.

SCRep. 430-10 Higher Education on H.C.R. No. 17

The purpose of this concurrent resolution is support the University of Hawaii at Hilo (UHH) College of Pharmacy's application to receive a federally-funded Beacon Community grant.

Testimony in support of this measure was submitted by UHH College of Pharmacy, Microsoft Health Solutions Group, and Hawaii Medical Service Association.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Pine.

SCRep. 431-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 21

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1593 Papau Street, Kapa'a, Hawaii, TMK No. 4-4-6-38-74, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 21 and recommend that it be referred to the Committee on Finance.

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

SCRep. 432-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 22

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1951 Pahoe Street, Koloa, Hawaii, TMK No. 4-2-8-24-14, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 22 and recommend that it be referred to the Committee on Finance.

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

SCRep. 433-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 23

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1098 Onaha Street, Wailuku, Hawaii, TMK No. 2-3-3-16-124, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 23 and recommend that it be referred to the Committee on Finance.

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

SCRep. 434-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 24

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1051 Onaha Street, Wailuku, Hawaii, TMK No. 2-3-3-16-11, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 24 and recommend that it be referred to the Committee on Finance.

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

SCRep. 435-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 25

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 91-1139 Kamaaha Loop, Kapolei, Hawaii, TMK No. 1-9-1-16-41-0019, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 25 and recommend that it be referred to the Committee on Finance.

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

SCRep. 436-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 26

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 91-1072 Welowelo Street, Kapolei, Hawaii, TMK No. 1-9-1-81-61, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 26 and recommend that it be referred to the Committee on Finance.

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

SCRep. 437-10 Agriculture on H.R. No. 31

The purpose of this resolution is to urge the United States Department of Health and Human Services (USDHHS) and State Department of Health (DOH), in a coordinated effort with the Department of Agriculture (DOA) to ascertain the safety of repasteurized and unrefrigerated milk shipped to Hawaii from the mainland.

Several concerned individuals testified in support of this resolution. The Hawaii Farm Bureau Federation and DOH opposed this measure. DOA provided comments.

Your Committee has amended this resolution by:

- (1) Clarifying that the study reporting premature spoilage of milk was conducted by UH rather than DOA; and
- (2) Requesting that USDHHS and DOH include a determination about safety risks and possible changes to the labeling and shipping process.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.R. No. 31, H.D. 1.

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

SCRep. 438-10 Agriculture on H.C.R. No. 72

The purpose of this concurrent resolution is to urge the United States Department of Health and Human Services (USDHHS) and State Department of Health (DOH), in a coordinated effort with Department of Agriculture (DOA), to ascertain the safety of repasteurized, unrefrigerated milk shipped to Hawaii from the mainland.

Several concerned individuals testified in support of this concurrent resolution. DOH and the Hawaii Farm Bureau Federation opposed this measure. DOA provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that the study reporting premature spoilage of milk was conducted by UH rather than DOA; and
- (2) Requesting that USDHHS and DOH include a determination about safety risks and possible changes to the labeling and shipping process.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.C.R. No. 72, H.D. 1.

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

SCRep. 439-10 Higher Education on H.R. No. 9

The purpose of this resolution is to proclaim strong support for the Cancer Research Center of Hawaii.

Testimony in support of this measure was submitted by University of Hawaii, American Cancer Society, Hawaii Pacific Health, The Pacific Resource Partnership, The Queen's Medical Center, Kuakini Health System, and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 9 and recommends its adoption.

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

SCRep. 440-10 Higher Education on H.C.R. No. 18

The purpose of this concurrent resolution is to proclaim strong support for the Cancer Research Center of Hawaii.

Testimony in support of this measure was submitted by University of Hawaii, American Cancer Society, Hawaii Pacific Health, The Pacific Resource Partnership, The Queen's Medical Center, Kuakini Health System, and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 18 and recommends its adoption.

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

SCRep. 441-10 Energy & Environmental Protection on H.R. No. 26

The purpose of this resolution is to urge the United States Congress to pass clean energy and climate change legislation that does not pre-empt state legislative efforts to control carbon emissions and to advance clean energy innovations.

At present, the United States exports its wealth in order to import the oil that is necessary to meet our energy needs; this weakens our economy, threatens our security, and negatively impacts our environment. Although, individual States are leading the country in green jobs and clean energy adoption, including an unprecedented agreement in 2008 between the State of Hawai'i and the United States Department of Energy, which created the Hawai'i Clean Energy Initiative, we lack a national framework of legislation for renewable energy and energy efficiency, which will strengthen the country's security, create clean energy jobs, and reduce pollution.

Therefore, a bipartisan Coalition of (State) Legislators for Energy Action Now (CLEAN) is calling on Congress to act now, to keep our hard earned billions in our states, to create a robust economy with new green jobs, and to make our nation more secure by enacting a national energy policy that supports clean energy technology.

Blue Planet Foundation and the Hawaii Solar Energy Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 26 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Har, Ito and Luke.

SCRep. 442-10 Energy & Environmental Protection on H.C.R. No. 67

The purpose of this resolution is to urge the United States Congress to pass clean energy and climate change legislation that does not pre-empt state legislative efforts to control carbon emissions and to advance clean energy innovations.

At present, the United States exports its wealth in order to import the oil that is necessary to meet our energy needs; this weakens our economy, threatens our security, and negatively impacts our environment. Although, individual States are leading the country in green jobs and clean energy adoption, including an unprecedented agreement in 2008 between the State of Hawai'i and the United States Department of Energy, which created the Hawai'i Clean Energy Initiative, we lack a national framework of legislation for renewable energy and energy efficiency, which will strengthen the country's security, create clean energy jobs, and reduce pollution.

Therefore, a bipartisan Coalition of (State) Legislators for Energy Action Now (CLEAN) is calling on Congress to act now, to keep our hard earned billions in our states, to create a robust economy with new green jobs, and to make our nation more secure by enacting a national energy policy that supports clean energy technology.

Blue Planet Foundation and the Hawaii Solar Energy Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Har, Ito and Luke.

SCRep. 443-10 Water, Land, & Ocean Resources on H.C.R. No. 44

The purpose of this concurrent resolution is to approve the sale of state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to sell state reclaimed land identified as TMK No. (1) 4-7-24: seaward of 29, Kaalaea, Koolaupoko, Oahu.

DLNR testified in support of this concurrent resolution.

Your Committee finds that the Board of Land and Natural Resources has approved this sale, the prospective owners have no development plans, and a public informational briefing was duly conducted on the sale of this state reclaimed land. Your Committee further finds that the proposed sale will facilitate the maintenance of the subject property in perpetuity.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44 and recommends that it be referred to the Committee on Finance.

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

SCRep. 444-10 Water, Land, & Ocean Resources on H.C.R. No. 45

The purpose of this concurrent resolution is to approve the sale of state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to convey to the City and County of Honolulu at gratis, state reclaimed land identified as TMK No. (1) 4-4-21: seaward of 20, Kaneohe, Koolaupoko, Oahu, for beach right-of-way purposes.

DLNR testified in support of this concurrent resolution.

Your Committee finds that the Board of Land and Natural Resources has approved the conveyance, and a public informational briefing was duly conducted on the sale of this land. Your Committee further finds that the proposed sale will facilitate the City and County of Honolulu to maintain a beach right-of-way to the shoreline in perpetuity.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends that it be referred to the Committee on Finance.

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

SCRep. 445-10 Water, Land, & Ocean Resources on H.C.R. No. 46

The purpose of this concurrent resolution is to approve the sale of state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to issue a deed or land patent grant conveying fee simple title to state land previously auctioned at public auction by DLNR, identified as TMK No. (4) 1-9-10:50, located in Hanapepe, Waimea, Kauai.

DLNR testified in support of this concurrent resolution.

Your Committee finds that the Board of Land and Natural Resources has approved this sale and the prospective owner has paid the amounts due under the installment agreement entered into with DLNR in full, has built his residence on the property, and has no further development plans. Your Committee also finds that a public information briefing was duly conducted on the sale of this state land.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46 and recommends that it be referred to the Committee on Finance.

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

SCRep. 446-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 27

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 95-033 Kuaahelani Avenue, Mililani, Hawaii, TMK No. 1-9-4-5-34-0033 to its current leasehold owner.

HHFDC, Waikiki Realty, and a concerned individual testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this interest and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 27 and recommend that it be referred to the Committee on Finance.

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

SCRep. 447-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 28

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 94-940 Meheula Parkway, Mililani, Hawaii, TMK No. 1-9-4-5-34-0048 to its current leasehold owners.

HHFDC and a concerned individual testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this interest and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 28 and recommend that it be referred to the Committee on Finance.

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

SCRep. 448-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 29

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 95-029 Kuaahelani Avenue, Mililani, Hawaii, TMK No. 1-9-4-5-34-0097 to its current leasehold owner.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this interest and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 29 and recommend that it be referred to the Committee on Finance.

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

SCRep. 449-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 30

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 95-021 Kuaahelani Avenue, Mililani, Hawaii, TMK No. 1-9-4-5-34-0136 to its current leasehold owner.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this interest and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 30 and recommend that it be referred to the Committee on Finance.

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

SCRep. 450-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 31

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009 to sell certain state land. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased in fee interest in a residence located at 2949 Ala Ilima Street #201, Honolulu, Hawaii, TMK No. 1-1-1-61-2-0001 to its current leasehold owner.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this interest and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 31 and recommend that it be referred to the Committee on Finance.

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

SCRep. 451-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 32

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple the Northwest Corner Parcel, a 26.617 acre parcel of vacant, non-ceded land formerly owned by the Estate of James Campbell, located in Kapolei, Hawaii, TMK No. 1-9-1-016:35. HHFDC intends to solicit development proposals from reputable developers for residential and mixed use developments. Any residential component would primarily consist of affordable housing units.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 32 and recommend that it be referred to the Committee on Finance.

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

SCRep. 452-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 33

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a parcel of vacant, non-ceded land formerly owned by the Estate of James Campbell, located in Village 8 of the Villages of Kapolei, Kapolei, Hawaii, TMK No. 1-9-1-016:88. HHFDC intends to solicit development proposals from reputable developers for residential and mixed use developments. Any residential component would primarily consist of affordable housing units.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 33 and recommend that it be referred to the Committee on Finance.

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

SCRep. 453-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 34

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple Kekuilani Village 4, that consists of 35 non-ceded, single-family cluster lots, including shared driveways, in Kapolei, Hawaii, TMK Nos. 1-9-1-79:01 to 35 and TMK Nos. 1-9-1-79:129 to 134. HHFDC selected Castle and Cooke Homes Hawaii, Inc. (CCHHI) as the developer of the properties. On March 8, 2007, HHFDC executed an agreement with CCHHI to develop 35 single-family cluster homes to be sold at or below one hundred forty percent of the area median income.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 34 and recommend that it be referred to the Committee on Finance.

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

SCRep. 454-10 Water, Land, & Ocean Resources/Housing on H.C.R. No. 36

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple two vacant, non-ceded parcels in Hokulele, Kaneohe, Hawaii, TMK Nos. 1-4-5-23-11 and 1-4-5-23-12. The parcels of land are the remainder of the larger Hokulele development, located partly under H-3 Freeway and are irregular in shape, making the parcels unsuitable for more extensive development plans. HHFDC intends to reserve the right to transfer a portion or all of the parcels located under the H-3 Freeway to the Department of Transportation.

HHFDC testified in support of this concurrent resolution.

Your Committees find that a public informational briefing was duly conducted on the sale of this property and no objection was received.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 36 and recommend that it be referred to the Committee on Finance.

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

SCRep. 455-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 30

The purpose of this resolution is to expedite family reunification for certain Filipino veterans of World War II by urging Congress and the President of the United States to support passage of the Filipino Veterans Family Reunification Act of 2009, or similar legislation.

The Oahu Veterans Council and the WW II Fil-Am Veterans and Ladies Auxiliary-Hawaii Chapter supported this resolution.

Your Committee finds that this resolution presents a compelling cause. Federal action to expedite reunification of these veterans with their families is long overdue, and time is of the essence if we are to correct the injustice done to these veterans, who are now in their 70s and 80s.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 30 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 456-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 71

The purpose of this concurrent resolution is to expedite family reunification for certain Filipino veterans of World War II by urging Congress and the President of the United States to support passage of the federal Filipino Veterans Family Reunification Act of 2009, or similar legislation.

The Oahu Veterans Council and the WW II Fil-Am Veterans and Ladies Auxiliary-Hawaii Chapter supported this concurrent resolution.

Your Committee finds that this concurrent resolution presents a compelling cause. Federal action to expedite reunification of these veterans with their families is long overdue, and time is of the essence if we are to correct the injustice done to these veterans, who are now in their 70s and 80s.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 457-10 Human Services on H.R. No. 8

The purpose of this resolution is to urge the provision of orientation and additional training to increase the ability of state agency case workers to address the issues faced by grandparents raising grandchildren.

Na Tutu, Grandparents Raising Grandchildren and a concerned individual submitted testimony in support of this measure.

Based on the results found by the Grandparents Raising Grandchildren Task Force, your Committee finds that frustration between DHS case workers and grandparents exist to some extent. The report showed a number of areas where there has been concern: little or no understanding of the role of DHS case workers by the grandparents, grandparents feeling intimidated and afraid of losing their grandchildren, no respect shown by DHS case workers for the grandparent/grandchild relationship, and no emotional support provided by DHS case workers.

Therefore, your Committee believes that additional training and orientation to increase the ability of State agency case workers to address the issues faced by grandparents who raise grandchildren is a critical plan to alleviate the frustration found on behalf of both the grandparents and the DHS case workers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 8 and recommends that it be referred to the Committee on Finance.

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

SCRep. 458-10 Human Services on H.C.R. No. 14

The purpose of this concurrent resolution is to urge the provision of orientation and additional training to increase the ability of state agency case workers to address the issues faced by grandparents raising grandchildren.

A concerned individual submitted testimony in support of this measure.

Based on the results found by the Grandparents Raising Grandchildren Task Force, your Committee finds that frustration between DHS case workers and grandparents exist to some extent. The report showed a number of areas where there has been concern: little or no understanding of the role of DHS case workers by the grandparents, grandparents feeling intimidated and afraid of losing their grandchildren, no respect shown by DHS case workers for the grandparent/grandchild relationship, and no emotional support provided by DHS case workers.

Therefore, your Committee believes that additional training and orientation to increase the ability of State agency case workers to address the issues faced by grandparents who raise grandchildren is a critical plan to alleviate the frustration found on behalf of both the grandparents and the DHS case workers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14 and recommends that it be referred to the Committee on Finance.

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

SCRep. 459-10 Education on H.C.R. No. 56

The purpose of this concurrent resolution is to ensure quality education for Hawaii's students by requesting a financial and management audit of the Department of Education (DOE) to examine the effectiveness and efficiency of departmental operations.

Several concerned individuals testified in support of this measure. DOE offered comments.

Your Committee finds that the costs associated with conducting a comprehensive financial and management audit of DOE are considerable, but would be a meaningful investment to ensure further improvement of the critical educational services provided by DOE.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Chang, Hanohano, Rhoads, Saiki, Shimabukuro and Takai.

SCRep. 460-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 29

The purpose of this resolution is to recognize and commend those who provide support to the families of deployed members of the armed forces.

The Oahu Veterans Council supported this measure.

Your Committee finds that the families of deployed members of the Armed Forces provide an essential service to their country by providing the love and support that helps to maintain the morale and readiness of a deployed family member. This resolution recognizes the organizations that support these families and the significant contribution that these organizations make to the defense of our country.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29 and recommends its adoption.

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

SCRep. 461-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 70

The purpose of this concurrent resolution is to recognize and commend those who provide support to the families of deployed members of the armed forces.

The Oahu Veterans Council supported this measure.

Your Committee finds that the families of deployed members of the Armed Forces provide an essential service to their country by providing the love and support that helps to maintain the morale and readiness of a deployed family member. This concurrent resolution recognizes the organizations that support these families and the significant contribution that these organizations make to the defense of our country.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 70 and recommends its adoption.

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

SCRep. 462-10 Judiciary on H.B. No. 2922

The purpose of this bill is to protect the environment and the community's health by:

- (1) Prohibiting the disposal of fluorescent and compact fluorescent light bulbs in landfills, waste-to-energy facilities, and incinerators; and
- (2) Requiring owners and operators of these facilities to post signs regarding this prohibition and to provide written notification to facility customers.

Covanta Energy Group, Sierra Club-Hawaii Chapter, and a concerned individual testified in support of this bill. The Department of Health, City and County of Honolulu Department of Environmental Services, County of Hawaii Department of Environmental Management, and Legislative Information Services of Hawaii, Inc. opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2922, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2922, H.D. 2.

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

SCRep. 463-10 Judiciary on H.B. No. 2354

The purpose of this bill is to strengthen the insurance fraud laws by incorporating provisions from the National Conference of Insurance Legislators' Model Insurance Fraud Act that facilitate the disclosure of information to the Insurance Fraud Investigations Branch for the purpose of detecting, prosecuting, or preventing insurance fraud.

The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and Property Casualty Insurers Association of America testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2354, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2354, H.D. 1.

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

SCRep. 464-10 Judiciary on H.B. No. 2897

The purpose of this bill is to ensure that United States citizens gain the benefits of employment in Hawaii construction jobs by authorizing the revocation or suspension of the license of a contractor who knowingly or intentionally employs a person who is not eligible to work in the United States under federal law.

The Hawaii Laborers' Union, ILWU Local 142, Pacific Resource Partnership, and General Contractors Association of Hawaii testified in support of this bill. The Hawaii Civil Rights Commission and Hawaii Association for Justice opposed this measure. The Contractors License Board provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2897, H.D. 1.

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

SCRep. 465-10 Judiciary on H.B. No. 2548

The purpose of this bill is to update the prepaid legal service plan law, which regulates group legal service plans in which the cost of the services are prepaid by the group member or by some other person or organization on the member's behalf. Specifically, this bill, among other things:

- (1) Clarifies that the authority responsible for regulating Prepaid Legal Service Plans is the Insurance Commissioner;
- (2) Deletes the exemption for insurers regulated under chapters 431 and 432, Hawaii Revised Statutes;
- (3) Clarifies filing requirements;
- (4) Requires the plan administrator to act as a trustee for funds collected by the plan and to maintain a trust account; and
- (5) Allows the Commissioner to suspend, revoke, or fine any plan that fails to comply with law.

The Department of Commerce and Consumer Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2548, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2548, H.D. 1.

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

SCRep. 466-10 Judiciary on H.B. No. 2349

The purpose of this bill is to expand the class of emergency services providers protected against assault and terroristic threatening by including physicians, physician's assistants, nurses, and nurse practitioners providing medical services in an emergency room of a hospital.

Hawaii Medical Association, Kaiser Permanente, Hawaii Government Employees' Association, and a concerned individual testified in support of this bill. The Office of the Public Defender provided comments.

Your Committee has amended this bill by changing the effective date to January 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2349, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2349, H.D. 1.

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

SCRep. 467-10 Judiciary on H.B. No. 2575

The purpose of this bill is to establish a mechanism to obtain candid information that may be used to improve trauma care in Hawaii by:

- (1) Authorizing the Department of Health (DOH) to form quality assurance and peer review committees to review patient care records and system performance, and make recommendations to the department for system improvement; and
- (2) Protecting the confidentiality of the information considered by those committees.

DOH, The Queen's Medical Center, Hawaii Pacific Health, and Healthcare Association of Hawaii testified in support of this bill. The Office of Information Practices of the Office of the Lieutenant Governor provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the protection from subpoena, discovery, or introduction into evidence in a civil or criminal proceeding is limited to information held by DOH as a result of their review of patient care records and system performance conducted by the quality assurance and peer review subcommittees;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2575, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2575, H.D. 2.

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

SCRep. 468-10 Judiciary on H.B. No. 2086

The purpose of this bill is to keep Hawaii abreast of improvements in health information data sharing while complying with federal privacy standards by authorizing clinical laboratory test results to be provided to authorized persons for any purpose permitted under the Health Insurance Portability and Accountability Act of 1966 (HIPAA).

The Department of Health testified in opposition to this bill. The Hawaii Medical Service Association, Hawaii Pacific Health, Hawaii Health Information Exchange, Hawaii Association of Health Plans, and Hawaii Medical Association offered comments.

Your Committee has amended this bill by:

- (1) Authorizing, rather than requiring, clinical laboratory test results to be provided;
- (2) Authorizing the results to be provided to authorized persons for any purpose permitted under HIPAA;
- (3) Clarifying that authorized persons include any "covered entity" as defined under 45 Code of Federal Regulations Section 160.103 promulgated under HIPAA; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2086, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2086, H.D. 2.

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

SCRep. 469-10 Judiciary on H.B. No. 2284

The purpose of this bill is to continue temporary relief to small business lessees during the current economic recession. Act 189, Session Laws of Hawaii 2009, clarified burdensome or vague renegotiation provisions in commercial or industrial leases as they relate to the determination of "fair and reasonable" annual rent, without substantial reduction in the lessor's economic or ownership benefits. Specifically, this bill extends the sunset date of Act 189 from June 30, 2010, to June 30, 2015.

Citizens for Fair Valuation, Servco Pacific Inc., and numerous concerned individuals testified in support of this bill. The Land Use Research Foundation of Hawaii, HRPT Properties Trust, and Hawaii Association of REALTORS opposed this measure.

Your Committee has amended this bill by:

- (1) Extending the sunset date of Act 189 to June 30, 2011; and
- (2) Changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2284, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2284, H.D. 1.

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

SCRep. 470-10 Judiciary on H.B. No. 2383

The purpose of this bill is to honor military personnel who are prisoners of war or missing in action by requiring the National League of Families' prisoner of war/missing in action flag (POW/MIA Flag) to be flown beneath the United States flag at buildings under the jurisdiction of the State.

The Honolulu Councilmember of the Fourth District, Oahu Veterans Council, Meadow Gold Dairies, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Permitting, rather than requiring, the POW/MIA Flag to be flown at buildings under the jurisdiction of the State;
- (2) Limiting the flying of the POW/MIA Flag to the following six days:
 - (A) Armed Forces Day;
 - (B) Memorial Day;
 - (C) Flag Day;
 - (D) Independence Day;
 - (E) National POW/MIA Recognition Day; and
 - (F) Veterans Day;

and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2383, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2383, H.D. 1.

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

SCRep. 471-10 Judiciary on H.B. No. 1978

The purpose of this bill is to protect consumers of tow services by requiring towing companies:

- (1) In counties with populations greater than 500,000 persons, to operate 24 hours per day, seven days a week and offer services including the release of vehicles in storage; and
- (2) To maintain insurance of at least:
 - (A) \$500,000 for bodily injury;
 - (B) \$200,000 for property damage;
 - (C) \$175,000 for on-hook coverage; or
 - (D) \$1,000,000 for a combined single limit of liability.

Property Casualty Insurers Association of America, Hawaii State Towing Association, and GEICO testified in support of this bill with amendments. The Department of Commerce and Consumer Affairs offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Consideration might be given to include language in the bill requiring towing companies to accept business or corporate checks for payment, instead of only cash, so that insurance companies could pay the companies directly and retrieve towed vehicles more quickly.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1978, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1978, H.D. 2.

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

SCRep. 472-10 Judiciary on H.B. No. 2404

The purpose of this bill is to make permanent the statutory requirements for provisional driver's licenses for persons who are at least 16 and less than 18 years of age, including, among other things, conditions under which:

- (1) A provisional licensee may transport passengers under the age of 18;
- (2) The provisional licensee must be accompanied in the vehicle by a licensed parent or guardian; and
- (3) The provisional licensee may drive to and from a place of employment or school-authorized activity without being accompanied by a licensed parent or guardian.

The Department of Transportation, Department of Health, City and County of Honolulu's Department of Customer Services, Mothers Against Drunk Driving Hawaii, and State Farm Mutual Automobile Insurance Company testified in support of this bill.

Your Committee has amended this bill by:

- (1) Extending the repeal date for Act 72, Session Laws of Hawaii 2005, by two years, to January 9, 2013, rather than making Act 72 permanent; and
- (2) Restoring the reenactment language of Act 72.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2404, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2404, H.D. 1.

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

SCRep. 473-10 Judiciary on H.B. No. 2693

The purpose of this bill is to improve the child passenger restraint law by:

- (1) In addition to the operator of the motor vehicle, making parents or legal guardians who are passengers in the vehicle responsible for complying with the child passenger restraint law; and
- (2) Specifying the circumstances under which a child may ride in the front seat of a motor vehicle.

The Department of Transportation, Keiki Injury Prevention Coalition, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting language making parents or legal guardians who are passengers in a vehicle responsible for complying with the child passenger restraint law; and
- (2) Changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2693, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2693, H.D. 1.

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

SCRep. 474-10 Judiciary on H.B. No. 2020

The purpose of this bill is to ensure the safety of the public by expanding county enforcement of traffic regulations on public streets, roads, or highways whose ownership is in dispute between the State and the county, and on certain private streets, highways, or thoroughfares, to include laws relating to county vehicular taxes, motor vehicle safety responsibility, traffic violations, use of intoxicants while operating a vehicle, motor vehicle insurance, motorcycle and motor scooter insurance, and odometers.

The Department of Transportation, Office of the Mayor, Prosecuting Attorney, and the Police Department of the County of Hawaii, and a concerned individual testified in support of this bill. A concerned individual offered comments.

Your Committee raised concerns that the provisions of this bill would impact the operation of recreational vehicles on private property, but received clarification that such activities would not be affected.

Your Committee has amended this bill by changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2020, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2020, H.D. 2.

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

SCRep. 475-10 Judiciary on H.B. No. 2271

The purpose of this bill is to protect public health and safety by making:

- (1) The manufacture, sale, transfer, possession, or transport of any dry ice bomb in the state a misdemeanor offense; and
- (2) The knowing possession or intentionally use of or threatened use of a dry ice bomb in the commission of a crime a class C felony.

The Koko Head Black Powder Club provided comments on this bill.

Your Committee has amended this bill by:

- (1) Excluding ammunition or reloading apparatus for ammunition used in licensed firearms from the definition of "dry ice bomb";
- (2) Changing the effective date to December 21, 2058; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2271, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2271, H.D. 1.

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

SCRep. 476-10 Judiciary on S.B. No. 898

The purpose of this bill is to encourage private entities to make their facilities available for civil defense efforts during times of emergency by expanding the limitation of liability to include certain care homes and healthcare agencies, and schools.

The State Department of Defense testified in support of this bill. The Mayor of the County of Hawaii offered an amendment.

Your Committee has amended this bill by including natural disasters and man-made disasters in the category of events that trigger limited liability for private entities that make their facilities available to the public during times of emergency. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 898, S.D. 2, H.D. 1.

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

SCRep. 477-10 Judiciary on S.B. No. 1059

The purpose of this bill is to address the problem of illegal fireworks by:

- (1) Establishing an Illegal Fireworks Task Force (Task Force) to develop a plan to stop the importation of illegal fireworks and a strategy to ensure the safety and security of facilities and institutions in Hawaii; and
- (2) Providing that county laws regulating fireworks must be consistent with or stricter than State laws regulating fireworks.

The State Fire Council (SFC), Honolulu Fire Department, Hawaii County Fire Department, County of Maui Department of Fire and Public Safety, Kauai Fire Department, American Lung Association in Hawaii, and several concerned individuals testified in support of this bill. The Legislative Information Services of Hawaii and a concerned individual provided comments.

The proliferation of illegal fireworks and the potential danger to public safety these illegal devices present require that thoughtful and deliberate action be taken to prevent the importation of these devices. Establishing a Task Force to develop a plan to stop the importation of illegal fireworks will address the problem at its source, which should result in a decrease in these devices being used by individual consumers.

However, your Committee has concerns that allowing counties to adopt differing ordinances may eliminate consistency throughout the state and result in problems that necessitated the establishment of a state fireworks law several years ago. Your Committee believes that any substantive changes to Hawaii's laws should first be considered by the Task Force created by this measure before they are acted upon by the Legislature.

Your Committee has amended this bill by:

- (1) Establishing the Task Force within SFC rather than the State Department of Transportation (DOT) and requiring SFC to provide administrative support to the Task Force rather than DOT;

- (2) Stipulating that, initially, the Chair of SFC shall serve as the Interim Chair of the Task Force and that upon the appointment of the last member to the Task Force, members of the Task Force shall select a new chair from among their membership;
- (3) Expanding the membership of the Task Force to include:
 - (A) Representatives of the Prosecuting Attorney's offices of the City and County of Honolulu, Maui County, Kauai County, and Hawaii County; and
 - (B) Two members from the fireworks industry;
- (4) Correcting the dates the Task Force shall meet to reflect the change in the calendar year from 2009 to 2010;
- (5) Correcting the date for the submittal of the preliminary plan and strategy report by the Task Force to the Legislature from January 10, 2010, to January 10, 2011;
- (6) Deleting language providing the counties with the ability to adopt laws regulating fireworks that are stricter than State laws regulating fireworks; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1059, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1059, S.D. 2, H.D. 2.

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

SCRep. 478-10 Judiciary on S.B. No. 549

The purpose of this bill is to protect consumers by clarifying that motorcycles are covered by the Lemon Law.

The Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee has amended this bill by:

- (1) Making its provisions apply to sales that take place on or after September 1, 2010, rather than September 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 549, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 549, S.D. 1, H.D. 1.

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

SCRep. 479-10 Judiciary/Consumer Protection & Commerce on H.B. No. 2297

The purpose of this bill is to allow for the installation of transparent sun screening materials on a vehicle's windshield that will reduce heat and protect a vehicle's interior without jeopardizing public safety.

The Hawaii Business League and a concerned individual testified in support of this bill. The City and County of Honolulu Department of Customer Services offered comments.

Your Committees have amended this bill by:

- (1) Clarifying that transparent sun screening film materials exempt from regulation by the State are materials installed, affixed, or applied to any portion of a vehicle's windshield that meet the requirements of the Federal Motor Vehicle Safety Standard 205; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2297, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2297, H.D. 2.

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

SCRep. 480-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2417

The purpose of this bill is to protect consumers and providers of activities and attractions that are sold by activity desks by:

- (1) Requiring an activity desk to maintain and make available for inspection, books, records, and other documents required by law;
- (2) Providing that the activity desk registration number must be included on advertising and promotional material;
- (3) Prohibiting making a reservation with an activity provider unless full payment for the activity is received by the activity desk or is to be directly paid to the provider at the time of the activity;
- (4) Requiring an activity desk to hold sums paid to an activity desk for activities furnished by an activity provider, in trust for the person making the payment and the activity provider; and
- (5) Increasing the bond or letter of credit requirement for activity desks from \$100,000 to \$250,000.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA); Activities & Attractions Association of Hawaii; Maui Classic Charters, Inc.; Aloha Nui Loa Tours, Inc.; Valley Isle Excursions, Inc.; Sunset Studio Maui; Paradise Cruise, Ltd.; Fair Wind Cruises; and Warren & Annabelle's Magic Show testified in support of this bill. The Regulated Industries Complaints Office of DCCA offered comments.

Your Committees have amended this bill by prohibiting an activity desk from failing to obtain full payment for activities later than three business days after the time activity reservations are booked or placed with the activity provider, unless direct payment to the provider is arranged, rather than prohibiting making a reservation with an activity provider unless full payment for the activity is received by the activity desk or is to be directly paid to the provider at the time of the activity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2417, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2417, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Mizuno and Morita.

SCRep. 481-10 Consumer Protection & Commerce on H.B. No. 2208

The purpose of this bill is to ensure that providers who deliver health care to Medicaid beneficiaries are paid in a timely manner by:

- (1) Repealing the exemption for Medicaid and Medigap provider claims from the definition of "clean claims" under statutory reimbursement requirements that require health plans to pay providers within certain timeframes and impose interest on late payments; and
- (2) Requiring the Department of Human Services (DHS) to pay health plans according to their Medicaid contract with each plan, and to pay interest on late payments.

Hawaii Medical Association, Hawaii Chapter – American Physical Therapy Association, and a concerned individual testified in support of this bill. The Healthcare Association of Hawaii supported this measure with amendments. DHS and Ohana Health Plan opposed this bill. Kaiser Permanente, Hawaii Medical Service Association, and AlohaCare provided comments.

Your Committee finds that the provision in this bill requiring DHS to pay health plans interest when payment is delayed past the terms of the Medicaid contract should be reviewed by the Committee on Finance, to which this measure has not been referred. Accordingly, your Committee has amended this bill by removing this provision. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2208, H.D. 2.

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

SCRep. 482-10 Consumer Protection & Commerce on H.B. No. 2289

The purpose of this bill is to afford protections to consumers who hold gift certificates in Hawaii by:

- (1) Extending the minimum expiration date for gift certificates, other than paper gift certificates, from two years to five years after the date of issuance;
- (2) Clarifying that the minimum expiration date for gift certificates issued only in paper form is two years from the date of issuance;
- (3) Limiting any issuance fee to 15 percent of the face value of the gift certificate or \$7.50, whichever is less;
- (4) Deleting the exemption for gift certificates that are issued as part of an awards, loyalty, or promotional program, or to a not-for-profit charity organization, where no consideration is given to the issuer by the consumer in exchange for the gift certificate;
- (5) Amending the definition of "gift certificate" or "certificate" to provide for certain exclusions including gift certificates issued as part of an awards, loyalty, or promotional program; and

- (6) Defining the term "service fee" to mean a periodic fee, charge, or penalty for holding or using a gift certificate, but excluding activation or issuance fees.

The Hawaii Bankers Association and a concerned individual testified in support of this bill. Legislative Information Services of Hawaii, Inc. and Visa Inc. supported this bill in part. The Department of Commerce and Consumer Affairs, the Commissioner of Financial Institutions, and Retail Merchants of Hawaii provided comments.

Your Committee finds that in addition to harmonizing Hawaii law with the provisions of the federal Credit Card Accountability, Responsibility, and Disclosure Act of 2009, this bill imposes a limit on maximum allowed gift certificate activation or issuance fees. However, concerns were raised about the appropriate amount of these fees.

Accordingly, your Committee has amended this bill by:

- (1) Changing the percentage of the maximum allowed issuance fee from 15 percent to an unspecified percentage;
- (2) Changing the maximum allowed issuance fee from \$7.50 to an unspecified dollar amount; and
- (3) Changing the effective date to January 1, 2020, to encourage further discussion.

This bill has also been amended by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2289, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2289, H.D. 2.

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

SCRep. 483-10 Consumer Protection & Commerce on H.B. No. 2312

The purpose of this bill is to ensure safe health care practices by:

- (1) Repealing provisions authorizing naturopathic physicians to prescribe legend drugs; and
- (2) Establishing a Naturopathic Formulary Board to create a naturopathic formulary to be approved by the Board of Naturopathic Medicine.

The University of Hawaii, American Medical Association, Hawaii Medical Association, American Osteopathic Association, and many concerned individuals supported this bill. Numerous concerned individuals opposed this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA) and Board of Naturopathic Medicine commented on the measure.

Act 22, Special Session Laws of Hawaii 2009, gave practitioners of naturopathic medicine the ability to prescribe any "legend drugs," also known as prescription drugs, approved by the Board of Naturopathic Medicine. To ensure patient safety, this bill removes legend drugs from the naturopathic formulary and establishes a Naturopathic Formulary Board composed of pharmacists, physicians, and naturopathic physicians, to establish a formulary aligned with the training and clinical experience of naturopathic practitioners.

Your Committee has amended this bill by:

- (1) Renaming the Naturopathic Formulary Board, the "Naturopathic Formulary Committee," (Committee) to avoid confusion with the Board of Naturopathic Medicine;
- (2) Adding a pharmacist member to the Committee to give the Committee seven members and avoid a deadlock in decision making;
- (3) Removing unnecessary provisions dictating the election of a chairperson and vice chairperson and requiring DCCA to establish rules to govern the Committee; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2312, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2312, H.D. 2.

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

SCRep. 484-10 Consumer Protection & Commerce on H.B. No. 2464

The purpose of this bill is to expedite patient care by granting pharmacists the authority to administer immunizations to children at least nine years of age with parental consent.

Walgreen Co. testified in support of this bill. The Department of Health and Hawaii Pharmacists Association opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Making a pharmacist's authority to administer immunizations to children at least nine years of age contingent upon the Governor's determination of a public health necessity; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2464, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2464, H.D. 2.

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

SCRep. 485-10 Consumer Protection & Commerce on H.B. No. 2921

The purpose of this bill is to maintain a level of skill, abilities, and competencies recognized within the electrical industry by revising the minimum requirements for licensure of electricians.

The Hawaii Electricians Training Fund testified in support of this bill. The University of Hawaii Community Colleges and Board of Electricians and Plumbers offered comments.

Your Committee has amended this bill by:

- (1) Requiring applicants for the journey worker specialty electrician examination to have satisfactorily completed 120 hours, rather than 200 hours, of electrical academic coursework;
- (2) Requiring applicants for the maintenance electrician examination to have satisfactorily completed at least 80 hours, rather than 40 hours, of electrical academic coursework;
- (3) Requiring applicants for the journey worker industrial electrician examination to have satisfactorily completed 200 hours, rather than 100 hours, of electrical academic coursework; and
- (4) Changing the effective date to July 1, 2015, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2921, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2921, H.D. 2.

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

SCRep. 486-10 Water, Land, & Ocean Resources on H.B. No. 2434

The purpose of this bill is to expedite the review and granting of permits, licenses, and other approvals for construction projects by, among other things:

- (1) Allowing the counties to contract with architects and engineers to certify an applicant's compliance with land use ordinances and building, electrical, and other codes;
- (2) Limiting the Historic Preservation Division to a 45-day period in which to review and comment on the effect of a proposed project, after which the permit license, or other approval is deemed approved; and
- (3) Providing that an application for a permit, license, or other approval submitted on or after January 1, 2011, is to be deemed approved 30 days after it is submitted if an agency has not adopted rules setting a maximum time for approval.

Alexander & Baldwin, Inc.; Building Industry Association of Hawaii; Castle & Cooke Hawaii; Pacific Resource Partnership; and Land Use Research Foundation of Hawaii supported this bill. Historic Hawaii Foundation, Hawaii's Thousand Friends, and a concerned individual opposed this bill. The Department of Land and Natural Resources, Contractors License Board, and Department of Planning and Permitting of the City and County of Honolulu commented.

Your Committee finds that while this bill will facilitate all types of construction jobs, its most immediate impact will be to expedite construction of Honolulu rail, which is shovel-ready and will generate jobs and assist local businesses by pouring federal monies into our economy.

Upon consideration, your Committee has amended this bill by:

- (1) Extending the maximum time period for Historic Preservation Division review and comment from 45 days to 60 days; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2434, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2434, H.D. 2.

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

SCRep. 487-10 Hawaiian Affairs on H.B. No. 674

The purpose of this bill is to amend the General Appropriations Act of 2009 in regards to the operating budget of the Office of Hawaiian Affairs (OHA) and Department of Hawaiian Home Lands (DHHL) to provide that:

- (1) Of the trust funds appropriated for beneficiary advocacy (OHA 175), \$1,010,000 for each year of fiscal biennium 2009-2011, is to be used to support the building, operating, and personnel expenses of seven positions for Hookulaiwi: Aha Hoonaaauo Oiwai (the Center for Native Hawaiian and Indigenous Education), on a one-to-one match by a trust fund expenditure by DHHL;
- (2) The sums appropriated for beneficiary advocacy (OHA 175) to be used for legal services and legal representation to OHA beneficiaries on various issues be reduced, and for the portion coming out of OHA's trust be increased and the general fund be reduced;
- (3) The sum appropriated to OHA (OHA 175) to establish the Achieving the Dream Initiative for Native Hawaiian students at the Hawaii Community College be increased to accommodate an increase in staffing for that program; and
- (4) The sum appropriated to OHA (OHA 175) to establish a research and training program for native Hawaiian students of the Hawaii Institute of Marine Biology be increased.

The University of Hawaii System, Sovereign Councils of the Hawaiian Homelands Assembly, Kewalo Hawaiian Homestead Community Association, Papakolea Community Association, Papakolea Community Development Corporation, Aha Punana Leo Inc., and a vast number of concerned individuals, including members of the Sovereign Councils of the Hawaiian Homelands Assembly, students, alumni, and faculty of the Hookulaiwi program, and Nanakuli residents testified in support of this bill. OHA and DHHL supported the intent of this measure. Hui Kakoo Aina Hoopulapula provided comments.

Your Committee notes that while this bill was referred to it as a single referral because of the time constraints of the legislative session, the financial implications of this bill must still be examined by the Committee on Finance. However, by passing this bill through, your Committee expresses its support for the programs in this bill that will greatly improve educational opportunities for the native Hawaiian community, and respectfully requests that the Committee on Finance work on any financial issues that may be raised in this bill.

Your Committee further supports the possibility of OHA creating a new category of programs such as those in this bill, to be added to the categories of services to be obtained through the public procurement system, and that the dialogue should be continued.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 674, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 488-10 Tourism, Culture, & International Affairs on H.B. No. 2587

The purpose of this bill is to reflect Father Damien's recent confirmation of Sainthood by changing Father Damien De Veuster Day on April 15 of each year to Saint Damien de Veuster Day on May 10 of each year, which marks his feast day.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2587 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 489-10 Labor & Public Employment on H.B. No. 1868

The purpose of this bill is to prohibit a leave of absence for a civil service employee who accepts an appointed position with a term of more than one year.

The Hawaii Government Employees' Association supported the intent of this bill. The Department of Human Resources Development and HGEA Managerial and Confidential Employees Chapter opposed this measure. The Department of the Attorney General provided comments.

Currently, when an individual leaves a civil service position for an appointed position, the individual may return to the former civil service position within a certain time period. This is commonly referred to as a right-to-return.

Your Committee has been informed that individuals currently belonging to various bargaining units already have clauses contained in their contracts that allow for employees to work up to four years and three months in appointed positions while retaining their right to return to their former civil

service positions. Accordingly, your Committee has amended this measure by excluding individuals whose collective bargaining agreements allow for a longer right-of-return than one year.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1868, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Saiki, Souki, Takumi and Pine.

SCRep. 490-10 Public Safety on H.B. No. 415

The purpose of this bill is to request a financial and management audit of the Department of Public Safety's (DPS) contracts with Corrections Corporation of America and the federal detention center in Honolulu to focus on:

- (1) The quality of programming, costs, and economic benefit to the state of housing inmates in mainland facilities compared to housing them in Hawaii;
- (2) Including the closure of Kulani correctional facility as part of the comparison; and
- (3) Making a recommendation on whether to continue housing inmates in the mainland and in the federal detention center in view of the requirements of the Community Safety Act of 2007.

Hawaii Government Employees' Association; Community Alliance on Prisons; United Public Workers, Local 646; American Civil Liberties Union of Hawaii; The Drug Policy Forum of Hawaii; Ohana Hoopakele; and several concerned individuals testified in support of this bill. DPS opposed this measure.

Your Committee has requested from DPS information regarding the number of inmates and the number of hours that inmates participate in prescriptive programs in mainland facilities compared with the same for inmates in Hawaii from 2007 to 2009.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 415, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 415, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi and Pine.

SCRep. 491-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2288

The purpose of this bill is to prohibit real property deed restrictions or other covenants running with the land from requiring the payment of fees for the future transfer of the property, except certain fees or charges relating to:

- (1) Payments to a lender on a mortgage loan secured by the property;
- (2) Payments to homeowners', condominium, cooperative, or property owners' associations pursuant to a declaration, covenant, or law applicable to the association;
- (3) Lease payments and charges to landlords;
- (4) Payments to the holder of an option to purchase an interest in real property, or holder of a right of first refusal or first offer to purchase such interest, for waiving the option or right upon transfer of the property to another person;
- (5) Payments by a developer of real property for resale to others; and
- (6) Payments to a government entity.

The Mortgage Bankers Association of Hawaii testified in support of this bill. The Hawaii Bankers Association, Hawaii Land Title Association, and Nature Conservancy supported the intent of this measure. The Hawaii Association of REALTORS and Hawaii Financial Services Association supported this bill with amendments. 1250 Oceansides Partners opposed this measure. Alexander & Baldwin, Inc., provided comments.

Private transfer fees created through a deed restriction or covenant on real property require every buyer of the property to pay the fee to the party that created that restriction. Because this transfer fee is paid every time that property is transferred, the party imposing this restriction retains an interest in the property being transferred, potentially in perpetuity. Left unchecked, these fees may create significant and prohibitive costs for homeownership, negatively impact the marketability of real property, discourage buyers, and depress property values. This bill prohibits these fees while exempting certain usual and customary fees, assessments, or charges that are typical for various real property transactions.

Your Committees also note there have been discussions about adding further exemptions from this bill. Accordingly, your Committees have amended this measure by changing the effective date to January 1, 2050, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2288, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2288, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 492-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2905

The purpose of this bill is to improve enforcement of liquor laws by:

- (1) Providing for the issuance of a summons or citation to an alleged violator of liquor laws;
- (2) Making it a violation of the liquor laws for a minor to use false identification to gain entry to the premises of a liquor licensee that excludes minors;
- (3) Establishing fines that may be applied in lieu of driver's license suspensions, community service, and alcohol education and counseling for minors who violate liquor laws; and
- (4) Designating 50 percent of revenues from the fines for county underage drinking programs.

The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Retail Liquor Dealers Association of Hawaii, and a concerned individual testified in support of this bill. The Office of the Lieutenant Governor, Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving – Hawaii opposed this measure.

Your Committees have amended this bill by:

- (1) Eliminating the provisions relating to the issuance of a summons or citation for alleged violations of liquor laws;
- (2) Restoring the petty misdemeanor under current law for persons aged 18 to 21 who violate liquor laws involving minors;
- (3) Authorizing courts to allow minor violators with suspended licenses or permits to drive when lack of alternative transportation presents an undue hardship;
- (4) Requiring minors who violate liquor laws to be sentenced to at least 75 hours of community service, rather than the mandated 75 hours under current law;
- (5) Allowing the fines established by this bill to be imposed in addition to any other penalties authorized by law;
- (6) Replacing the preamble language to reflect the contents of this bill as amended; and
- (7) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2905, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2905, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 493-10 Consumer Protection & Commerce on S.B. No. 771

The purpose of this bill is to ensure the integrity and reliability of real estate appraisal practices in the state by mandating that licensed real estate appraisers comply with the Uniform Standards of Professional Appraisal Practice when acting as an appraiser or an arbitrator in an arbitration proceeding.

This bill also requires that an arbitration proceeding under the Uniform Arbitration Act (Chapter 658A, Hawaii Revised Statutes) involving a determination of fair market value or rental of real property by an arbitrator who is a licensed appraiser include in its record of award:

- (1) The appraiser's rationale for the award; and
- (2) Information regarding the substantiating evidence for the award.

Citizens for Fair Evaluation and several concerned individuals supported this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and Appraisal Institute-Hawaii Chapter opposed this bill.

Your Committee has amended this bill by:

- (1) Making it effective upon its approval; and

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 771, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 771, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll and Mizuno.
(Representatives Belatti, Luke and Morita voted no.)

SCRep. 494-10 Judiciary on S.B. No. 2246

The purpose of this bill is to amend or repeal various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii for the purpose of correcting errors and references, clarifying language, and deleting obsolete or unnecessary provisions.

The Legislative Reference Bureau testified in support of this bill. The Department of Human Services provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2246, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 495-10 Judiciary on H.B. No. 2129

The purpose of this bill is to require persons convicted of criminal property damage involving graffiti to:

- (1) Remove the graffiti within 30 days of sentencing;
- (2) Perform community service for two years removing graffiti on other property within 100 yards of the site of the offense; and
- (3) Reimburse property owners for two years for costs incurred in removing graffiti within 100 yards of the site of the offense.

Hawaiian Electric Company, Hawaiian Electric Light Company, Maui Electric Company, and a concerned individual testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying that the maximum period for performing community service and reimbursing property owners shall not exceed the maximum probationary period allowed for the offense charged; and
- (2) Changing the effective date to December 21, 2058, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2129, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 496-10 Judiciary on H.B. No. 840

The purpose of this bill is to allow more efficient prosecution of crimes by adding unauthorized entry in a dwelling, unauthorized possession of confidential personal information, and methamphetamine trafficking in the second degree to the list of offenses which may be charged by written information.

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

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Luke, Mizuno, Morita, Souki and Thielen.

SCRep. 497-10 Judiciary on H.B. No. 1019

The purpose of this bill is to include in the offense of murder in the second degree, acts committed with the intent to cause serious bodily injury to another person or create the strong probability of causing death or serious bodily injury to another person, which result in the death of another person.

The Department of the Attorney General (AG), City and County of Honolulu's Department of the Prosecuting Attorney, Honolulu Police Department, County of Hawaii's Office of the Prosecuting Attorney, and County of Hawaii Police Department supported this bill. The Office of the Public Defender (PD) opposed this measure.

Your Committee recognizes the concern of the PD that the way Section 707-701.5(b), Hawaii Revised Statutes (HRS), is amended in the bill, it could be misinterpreted to punish as murder in the second degree the death of a third party to which the "intent to do bodily harm" was not directed, and notes that the AG agreed that it did not intend for this provision to be applied in that manner.

Accordingly, your Committee has amended the bill by:

- (1) Clarifying that for the offense of second degree murder involving acts committed with the intent to do serious bodily injury to another person that causes another person's death, the offense applies only where the victim is the person for whom the serious bodily injury was intended; and
- (2) Deleting from the offense of murder in the second degree, acts committed with the intent to create a strong probability of death or serious bodily injury to any person, and such acts cause the death of any person.

Your Committee has further amended this bill by adding a new part that:

- (1) Makes the use of a simulated firearm during the theft or taking of a motor vehicle, robbery the first degree;
- (2) Makes the use of a simulated firearm in a terroristic threatening case an offense of terroristic threatening in the first degree; and
- (3) Defines "simulated firearm" as "any object that:
 - (1) Substantially resembles a firearm;
 - (2) Can reasonably be perceived to be a firearm; or
 - (3) Is used or brandished as a firearm,"
 for these purposes.

Your Committee has further amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion;
- (2) Inserting a savings clause; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1019, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 498-10 Judiciary on H.B. No. 2725

The purpose of this bill is to strengthen laws providing for the humane treatment of pet animals by:

- (1) Specifying the characteristics of the pet enclosure that would provide necessary sustenance to a pet animal; and
- (2) Also including within the definition of "necessary sustenance," veterinary care to prevent suffering.

The Humane Society of the United States, Hawaiian Humane Society, Maui Humane Society, West Hawaii Humane Society, and numerous concerned individuals testified in support of this bill. The Office of the Public Defender and Hawaii Farm Bureau Federation opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "primary pet enclosure" to specify that the definition applies to structures used to specifically restrict pet animals;
- (2) Further amending the definition of "necessary sustenance" to include areas of confinement in a primary pet enclosure that accommodate the various sanitation and support needs of particular animals including birds, rabbits, and guinea pigs;
- (3) Amending the definition of "pet animal" by:

- (A) Specifying that pet animals include domesticated rabbits as long as they are not bred or raised for meat production purposes;
- (B) Deleting domesticated pigs from being defined as pet animals; and
- (C) Specifying that pet animals include caged birds as long as they are not bred or raised for egg or meat production purposes rather than simply bred for consumption;
- (4) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2725, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 499-10 Finance on H.B. No. 2542

The purpose of this bill is to help address the fiscal year 2009-2010 budget shortfall by transferring a total of \$10,000,000 in excess balances from various non-general funds.

Specifically, this bill transfers to the general fund:

- (1) \$5,000,000 from the Wireless Enhanced 911 Fund;
- (2) \$500,000 from the State Motor Pool Revolving Fund;
- (3) \$1,000,000 from the State Risk Management Revolving Fund;
- (4) \$1,500,000 from the Medicaid Investigations Recovery Fund; and
- (5) \$2,000,000 from the University of Hawaii Housing Assistance Revolving Fund.

The Department of Budget and Finance and Ohana Health Plan testified in support of this bill. The County of Hawaii Police Department, County of Maui Police Department, County of Kauai Fire Department, The National Emergency Number Association, The 9-1-1 Industry Alliance, CTIA-The Wireless Association, and Verizon Wireless opposed this measure. The University of Hawaii System; Tax Foundation of Hawaii; T-Mobile USA, Inc.; AT&T; and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Deleting the specific amounts to be transferred from each fund;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2542, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 500-10 Finance on H.B. No. 2702

The purpose of this bill as received by your committee is to assist employers and employees by adjusting the unemployment insurance (UI) contribution rates for employers and the benefit amounts paid to employees from the UI trust fund while maintaining adequate reserves in the UI trust fund. Specifically, this bill:

- (1) Sets, for calendar year 2010, the employer contribution rate at schedule E;
- (2) Sets, for calendar year 2011, the employer contribution rate at schedule F;
- (3) Provides for the maximum weekly benefit amount to be maintained at:
 - (A) 75 percent for the first eight weeks of unemployment;
 - (B) 70 percent for the second eight weeks of unemployment; and
 - (C) 66 and two-thirds percent for the remaining weeks of eligibility;

- (4) Permanently establishes the Adequate Reserve Fund at one times the product of the benefit cost rate multiplied by the total remuneration paid; and
- (5) Requiring that the UI contribution rate schedules be determined semi-annually rather than annually beginning in 2012.

This measure further authorizes special assessments to be made upon employers to pay the interest costs on loans received from the United States Secretary of Labor to pay expected UI benefit claims.

Prior to the hearing, your Committee made available to the public a proposed House Draft 1 (HD1). As amended the purpose of the proposed HD1 is to improve the UI system by, among other things:

- (1) Requiring the Department of Labor and Industrial Relations (DLIR) to conduct a study on the cost and feasibility of changing from annual to semi-annual the contribution rate schedules for unemployment contributions;
- (2) Providing for fixed reserve ratios for calendar years 2010 and 2011 for employers commencing operations in 2010 and employers currently in operation who hire new employees or rehire employees that were laid-off prior to January 1, 2010; and
- (3) Requiring DLIR to review the auditor's study conducted in 1982 regarding the financing mechanisms of the unemployment compensation fund for relevant recommendations and report its findings to the Legislature.

DLIR and the National Federation of Independent Businesses submitted comments regarding the proposed HD1.

Your Committee has amended this bill by adopting the language contained in the proposed HD1 and has further amended the measure by:

- (1) Providing that the fixed reserve ratios for calendar years 2010 and 2011 only apply to new employers;
- (2) Adding language appropriating an unspecified amount of funds from the Special Unemployment Insurance Administration Fund for the studies conducted by DLIR;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2702, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 501-10 Finance on H.B. No. 2736

The purpose of this bill is to strengthen the local economy by requiring contractors awarded certain public works and construction contracts to ensure that Hawaii residents comprise not less than 80 percent of the workforce employed for the contract.

Iron Workers Stabilization Fund; ILWU Local 142; Hawaii State AFL-CIO; International Brotherhood of Electrical Workers Local Union 1186; International Brotherhood of Electrical Workers; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Laborers' Union; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; and several concerned individuals testified in support of this bill. The Department of the Attorney General opposed this measure. The Department of Accounting and General Services, District Council 50, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Adding a definition of "shortage trade"; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2736, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 502-10 Finance on H.B. No. 2741

The purpose of this bill is to clarify laws pertaining to commercial fishing vessels by:

- (1) Requiring permittees of vessels used for certain commercial fishing activity to pay a fee one and one-half times the moorage fee assessed for a recreational vehicle of the same size, in lieu of the current mooring and liveaboard fee;

- (2) Allowing a person to transfer stock or interest in a corporation or business entity operating a commercial fishing vessel while allowing the corporation or business entity to retain its mooring permit under certain circumstances; and
- (3) Defining "commercial fishing activity."

The Hawaii Fishing & Boating Association and a concerned individual supported this bill. The Department of Land and Natural Resources and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing the fee for permittees of vessels used for certain commercial fishing activity from one and one-half to two times the moorage fee assessed for a recreational vehicle of the same size;
- (2) Amending the qualifications for owners of vessels used for commercial fishing activity by:
 - (A) Specifying that income tax returns demonstrate that 51 percent or more of the business involving the vessel is generated through the sale of fish or permitted coral; and
 - (B) Requiring the owner to be able to prove that at least \$15,000 in income has been earned with respect to the vessel in the most recent taxable year;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2741, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 503-10 Finance on H.B. No. 2832

The purpose of this bill is to require the Department of Agriculture (DOA) to seek out funding for projects that increase the use and cultivation of Hawaiian taro.

The Office of Hawaiian Affairs (OHA), the Taro Security and Purity Task Force, Hawaii Farmers Union, Association of Hawaiian Civic Clubs, Native Hawaiian Bar Association/Native Hawaiian Legal Corporation Peacemaking Project, and several concerned individuals supported this measure. The Hawaii Farm Bureau Federation, Kauai County Farm Bureau, Kauai Taro Growers Association, and several concerned individuals opposed this bill. DOA and a concerned individual provided comments.

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

- (1) Changing the agency directed to seek out funds to restore Hawaiian taro and lo'i cultivation (restoration projects) from DOA to OHA;
- (2) Authorizing rather than requiring funding to be sought for restoration projects;
- (3) Deleting provisions that:
 - (A) Limit the use of funding for restoration projects only to those that use Hawaiian taro; and
 - (B) Prohibit use of the funds for genetically modified taro;
- (4) Authorizing OHA to distribute funds for various restoration projects;
- (5) Adding "wetland restoration and preservation" as an authorized restoration project;
- (6) Deleting "research" as an authorized restoration project;
- (7) Deleting the sunset date of June 30, 2015, and making the provisions permanent;
- (8) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (9) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2832, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2832, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 504-10 Finance on H.B. No. 1985

The purpose of this bill is to help increase timely access to tax information by requiring the Department of Taxation to:

- (1) Publish specified annual and biennial reports on income patterns and tax credits; and
- (2) Submit the required reports to the Legislature prior to each regular session.

The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1985 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 505-10 Finance on H.B. No. 2523

The purpose of this bill is to appropriate emergency funding to the Aloha Tower Development Corporation (ATDC) to increase the ATDC's spending ceiling for the settlement of a claim against the ATDC. Specifically, this bill increases ATDC's spending ceiling from \$1,628,940 to \$2,528,940 for fiscal year 2009-2010. The amount due under the settlement agreement in *Kenneth H. Hughes, Inc. v. Aloha Tower Development Corporation*, Civil No. 09-00277 DAE-BMK, USDC is \$1,550,000.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in Governor's Message No. 174, dated February 4, 2010, to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding emergency to pay for the settlement of a claim against the Aloha Tower Development Corporation.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2523 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 506-10 Finance on H.B. No. 2596

The purpose of this bill is to enhance general revenues and increase certainty in budgeting by specifying that refundable tax credits be applied before nonrefundable tax credits to a taxpayer's income tax liability.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2596 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 507-10 Finance on H.B. No. 2600

The purpose of this bill is to:

- (1) Amend the due dates for miscellaneous tax types from the last day of the month to the 20th day of the month to conform with the general excise tax payment deadline; and
- (2) Change the due date for filing and payment of quarterly periodic insurance premiums taxes from quarterly to monthly.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2600 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 508-10 Finance on H.B. No. 2690

The purpose of this bill is to facilitate the improved distribution of state funds and ensure that the Legislature is informed of the financial needs of state-government entities by requiring that the President of the Senate and the Speaker of the House of Representatives be notified in writing no later than ten days following the receipt of any grant or allotment of federal-aid moneys accepted for expenditure in the state.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2690 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 509-10 Finance on H.B. No. 2874

The purpose of this bill is to temporarily increase the transient accommodations tax rate imposed on resort time share vacation units to the same rate that is imposed on the gross rental or gross rental proceeds derived from furnishing transient accommodations.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Office of the Governor; Department of Taxation; Royal Aloha Vacation Club; Shell Management Hawaii, Inc.; The Imperial Hawaii Resort; Diamond Resorts International; Marriot Vacation Club International; Marriott's Ko'olina Beach Club; American Resort Development Association (ARDA); ARDA-Hawaii; Wyndham Worldwide; Lawai Beach Resort; Interval International, Inc.; Starwood Vacation Ownership; and several concerned individuals opposed this measure. The Hawaii Tourism Authority and the Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2874 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives Brower and Ward voted no.)

SCRep. 510-10 Finance on H.B. No. 2963

The purpose of this bill is to help address the loss of instructional days for Hawaii's schoolchildren by making an emergency appropriation from the Emergency and Budget Reserve Fund to provide the funding necessary to convert furlough days into instructional days.

The Hawaii State Teachers Association and several concerned individuals testified in support of this bill. The Hawaii County Office of Aging, AARP Hawaii, Policy Advisory Board for Elder Affairs, Catholic Charities Hawaii, and many concerned individuals opposed this measure. The Governor's Administration, Department of Education, Department of Budget and Finance, National Association of Social Workers, PHOCUSED, and Child and Family Service provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2963 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 511-10 Finance on H.B. No. 2505

The purpose of this bill is to improve public access to government information and services by:

- (1) Establishing the Access Hawaii Committee Special Fund (Special Fund) and a funding mechanism for the Special Fund; and
- (2) Appropriating funds to support the Access Hawaii Committee.

The Department of Accounting and General Services testified in support of this bill.

Your Committee has amended this bill by:

- (1) Replacing the appropriation with an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2505, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 512-10 Finance on H.B. No. 2532

The purpose of this bill is to streamline the operations of the Department of Budget and Finance with regard to unclaimed property by:

- (1) Requiring holders of unclaimed property to remit all unclaimed property at the same time they file their report concerning the unclaimed property with the Director of Finance as required by law; and
- (2) Removing the specific time frame of 120 days in which the Director of Finance must allow or deny a claim for property.

This measure also updates the references in the Uniform Probate Code to the depository of unclaimed properties to the Unclaimed Property Trust Fund.

B&F testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2532, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 513-10 Finance on H.B. No. 2875

The purpose of this bill is to help provide fiscal flexibility by, among other things, authorizing the loan of monies from the Hawaii Hurricane Reserve Trust Fund (Fund), provided that the loan is repaid into the Fund.

Ohana Health Plan testified in support of this bill. The Department of Commerce and Consumer Affairs opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2875, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2875, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 514-10 Finance on H.B. No. 2595

The purpose of this bill is to strengthen and bring fairness to the general excise tax (GET) system by:

- (1) Precluding a taxpayer from using a general excise tax benefit, including exemptions, deductions, lower rates, or income splitting, unless the taxpayer follows specified administrative requirements; and
- (2) Creating a personal trust fund liability for businesses that use the GET as the basis for increasing prices and ensures those funds are paid to the State.

The Department of Taxation testified in support of this bill. The Chamber of Commerce of Hawaii, National Federation of Independent Business, Accuity LLP, Hawaii Society of Certified Public Accountants, and several concerned individuals testified in opposition to this measure. The Tax Foundation of Hawaii AND Hawaii Alliance of Nonprofit Organizations provided comments.

Your Committee has amended this bill by:

- (1) Authorizing the Director of Taxation to waive the denial of the general excise tax benefit if failure to comply is due to reasonable cause and not to the wilful neglect of the taxpayer;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2595, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 515-10 Finance on H.B. No. 1922

The purpose of this bill is to require, among other things, a nonresident seller of real property located in Hawaii to provide the Bureau of Conveyances a tax clearance issued by the Department of Taxation (DOTAX) certifying that the seller has paid all general excise, transient accommodations, and income taxes as a condition to recording a change in title on the real property.

Title Guaranty of Hawaii, Inc., and Title Guaranty Escrow Services, Inc., testified in opposition to this bill. DOTAX, the Department of the Attorney General, Tax Foundation of Hawaii, Hawaii Association of REALTORS, American Resort Development Association-Hawaii, Marriott Vacation Club International, and Wyndham Worldwide offered comments.

Your Committee has amended this bill by:

- (1) Inserting purpose language to clarify that the purpose of this bill is to address a problem with the collection of unpaid transient accommodations and general excise taxes on rental income from real property owned by nonresidents who fail to file tax returns on such income and move beyond the jurisdiction of the State after the property is sold and transferred;
- (2) Applying to all sellers, regardless of residency, the requirement that sellers of real property located in Hawaii provide the Bureau of Conveyances a tax clearance, and placing those provisions in a separate statutory section;
- (3) Authorizing the Director of Taxation to require every escrow depository required to file a return of the amount of tax withheld on the disposition of real property, to remit taxes by electronic funds transfer;
- (4) Requiring every escrow depository who is authorized to file a completed return on behalf of a transferee to file the return not more than two working days following the authorization date and deliver a receipt from DOTAX to the transferee;
- (5) Inserting a savings clause;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1922, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 516-10 Finance on H.B. No. 2313

The purpose of this bill is to reestablish the deduction of wagering losses by repealing the income tax provision that requires the reporting of gambling winnings but not losses.

The Iron Workers Stabilization Fund and several concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Making the deduction for the wagering losses commence January 1, 2009, instead of January 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2313, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 517-10 Finance on H.B. No. 1948

The purpose of this bill is to expedite the refund of overpayments of taxes to taxpayers by requiring the Department of Taxation (DOTAX) to refund the overpayments within 90 days of the filing of the tax return, or the date the tax return was due, whichever occurred first. The bill also requires that interest of one-third of one percent per month be paid on the overpayment or credit after the 90-day period until the refund and interest is paid to the taxpayer.

DOTAX opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 518-10 Finance on H.B. No. 1907

The purpose of this bill is to temporarily suspend the income tax net operating loss carryback deduction for losses generated in 2009 and 2010.

The Hawaii State Teachers Association testified in support of this measure. The Hawaii Bankers Association opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments.

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

- (1) Inserting provisions placing a temporary, ending December 31, 2015, cap on itemized deductions claimed on state income tax returns and making the cap applicable to taxable years beginning after December 31, 2009;
- (2) Inserting provisions that remove the refunding feature of the Capital Goods Excise Tax Credit from January 1, 2010, to December 31, 2015;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1907, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 519-10 Finance on H.B. No. 40

The purpose of this bill is to repeal Act 112, Session Laws of Hawaii 2009, which authorized the issuance of special purpose revenue bonds of an amount up to \$40,000,000 to assist Carbon Diversion, Inc., with the establishment of cogeneration and related energy-production facilities at various locations in the state.

The Representative from the 14th District testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 40, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 520-10 Finance on H.B. No. 2885

The purpose of this bill is to ensure greater fiscal flexibility by temporarily:

- (1) Suspending the portion of the conveyance tax that is deposited into the Land Conservation Fund and Rental Housing Trust Fund; and
- (2) Reducing the amount of the conveyance tax that is deposited into the Natural Area Reserve Fund.

The Hawaii Housing Finance and Development Corporation; Office of Hawaiian Affairs; Department of Water Supply of Maui County; Department of Community Services of the City and County of Honolulu; Sierra Club-Hawaii Chapter; Maui Invasive Species Committee; The Nature Conservancy; Oahu Land Trust; Conservation Council for Hawaii; Catholic Charities Hawaii; The Trust for Public Land; Hawaii Family Forum; Hawaii Catholic Conference; Maui Coastal Land Trust; Hawaii Habitat for Humanity Association; EAH Housing; Coordinating Group on Alien Pest Species; Hawaii Conservation Alliance Foundation; Dole Food Company Hawaii; KAHEA; Partners In Care; Maui Land and Pineapple Co., Inc; Hawaii Island Community Development Corporation; The Outdoor Circle; Hawaiian Trail and Mountain Club; Pacific Housing Advisors; Weinberg Village Waimanalo; Kupu; MauiGrown Coffee, Inc.; and numerous concerned individuals opposed this bill. The Department of Land and Natural Resources, Tax Foundation of Hawaii, and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2885 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 521-10 Finance on H.B. No. 1947

The purpose of this bill is to repeal the applicability of state income tax to rollovers made by employees of state and county agencies and tax-exempt organizations from qualifying annuity plans and qualifying deferred compensation plans to eligible retirement plans or individual retirement accounts.

The Hawaii State Teachers Association and Hawaii Government Employees' Association testified in support of this bill. A concerned individual opposed this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1947, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 522-10 Finance on H.B. No. 2186

The purpose of this bill is to improve the financial management of each State agency by:

- (1) Establishing procedures to eliminate and recover improper payments made by a State agency, State contractor, State grantee, or a governmental or other organization administering a State program or activity, to any non-State person or entity; and
- (2) Requiring the head of each agency to conduct a financial management improvement program and follow additional reporting requirements for State agencies consistent with guidance prescribed by the Director of Finance.

The Department of Budget and Finance offered comments on this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2186, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 523-10 Finance on H.B. No. 2594

The purpose of this bill is to amend Hawaii's income tax law by conforming it to changes made to the Internal Revenue Code for calendar year 2009.

The Department of Taxation and Island Pacific Energy testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding language to conform judgments in disputed tax cases against the State to federal law by decreasing the interest rate on monies held by the Litigated Claims Fund to three percent; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2594, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2594, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 524-10 Finance on H.B. No. 2850

The purpose of this bill is to temporarily increase the liquor tax rates during the period from July 1, 2010, to June 30, 2015.

The Distilled Spirits Council of the United States, Anheuser Busch Companies, Hawaii Liquor Wholesalers Association, Wine Institute, and Kona Brewing Company testified in opposition to this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Blanking out the tax amounts;
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2850, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

(Representative Ward voted no.)

SCRep. 525-10 Finance on H.B. No. 2851

The purpose of this bill is to temporarily increase taxes on insurance premiums.

Specifically, this bill increases until June 30, 2015, the tax rates payable by insurers for:

- (1) Life insurance from 2.75 to 3.437 percent;
- (2) Ocean marine insurance from .8775 to 1.0968 percent;
- (3) Real property title insurance from 4.265 to 5.331 percent; and
- (4) Other authorized insurers from 4.265 to 5.331 percent.

This measure also increases the taxes:

- (1) Payable by insureds, for insurance contracts from insurers who are not authorized to transact business in Hawaii from 4.68 to 5.85 percent of the gross premiums charged for the insurance, less any return premiums, except for life insurance, accident and health or sickness insurance, or annuities;
- (2) Payable by surplus lines brokers, for surplus lines insurance from 4.68 to 5.85 percent on gross premiums, less return premiums; and
- (3) Payable by captive insurance companies, for certain types of insurance from:
 - (A) .25 to .3125 percent on gross premiums up to \$25,000,000;
 - (B) .15 to .1875 percent on gross premiums of more than \$25,000,000 to \$50,000,000;
 - (C) .05 to .0625 percent on gross premiums of more than \$50,000,000 to \$250,000,000; and
 - (D) No taxes to .05 percent on gross premiums of more than \$250,000,000.

In addition, this bill repeals the cap of \$200,000 on the annual maximum amount of taxes payable by a captive insurance company.

The Department of Commerce and Consumer Affairs; Hawaii Captive Insurance Council; Beecher Carlson; Hawaii Insurers Council; American Council of Life Insurers; Alliance Captive Insurance Services LLC; Workers' Assurance of Hawaii, Inc.; Willis Management (Hawaii); ValleyCrest Companies & Plumeria Insurance Companies; Covenant Care; Safeway Inc.; Cap Insurance Co., Inc.; KMH LLP; Public Storage; MedAmerica Mutual Risk Retention Group, Inc.; Kyo-ya Management Company, Ltd.; Strategic Risk Solutions, Inc. (West); Worldwide Risk Insurance, Inc.; Paradigm Indemnity Corp.; Cast & Crew Payroll, LLC; Aon Insurance Managers (USA), Inc.; Covenant Reinsurance Company; F.L. Insurance Corporation; State Farm Insurance Companies; Marquis Insurance Corporation; Pacific Guardian Life Insurance Company, Ltd.; Owlco Indemnity Limited; Gregory J. Burden Trust (dated July 26, 2002); National Association of Insurance and Financial Advisors Hawaii; Kaiser Permanente Hawaii; Lokahi Assurance, Ltd.; Property Casualty Insurers Association of America; Marsh Management Services Inc.; and Bank of Hawaii testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has been convinced from testimony received, that an increase in the tax on captive insurance companies would harm the captive insurance industry in Hawaii. Thus, your Committee has amended the bill by deleting the tax increases on captive insurance companies.

Your Committee also notes that the premiums for permanent life insurance contracts issued in the past are set and cannot be increased to pass on an additional tax. Accordingly, your Committee has amended the bill to provide a reasonable and equitable differential rate structure, limiting the application of the tax increase payable by insurers on gross premiums for life insurance contracts to those that take effect on or after July 1, 2010. It is your Committee's intent that when the bill sunsets on June 30, 2015, all life insurance contracts be once again subject to the 2.75 percent tax rate, even if a contract was entered into on or after July 1, 2010, and on or before June 30, 2015.

Your Committee has further amended this bill by:

- (1) Changing all the increased amounts of tax percentages to unspecified amounts, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2851, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.
(Representatives C. Lee, Wooley and Ward voted no.)

SCRep. 526-10 Finance on H.B. No. 2872

The purpose of this bill is to temporarily:

- (1) Increase the tax rate on banks and other financial corporations;
- (2) Repeal the requirement that \$2,000,000 of the tax revenues from banks and other financial corporations be deposited into the Compliance Resolution Fund; and
- (3) Authorize the commissioner of financial institutions to expedite the imposition or increase of fees on banks and other financial corporations.

The Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, and Hawaii Bankers Association opposed this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting all provisions for tax rate increases on banks and other financial corporations; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2872, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 527-10 Finance on H.B. No. 2887

The purpose of this bill is to help encourage greater fiscal flexibility by temporarily:

- (1) Transferring to the general fund the portion of moneys from the Hawaii Tobacco Settlement Special Fund designated for the Hawaii Tobacco Prevention and Control Trust Fund;
- (2) Requiring interest and earnings of the Hawaii Tobacco Settlement Special Fund to be deposited into the general fund; and
- (3) Reducing the portion of moneys from the Hawaii Tobacco Settlement Special Fund to be transferred to the Tobacco Enforcement Special Fund.

This bill also encourages the nonprofit entity responsible for the Hawaii Tobacco Settlement Special Fund to increase from 2010 to 2013, its expenditures for programs and projects related to youth and adult tobacco cessation and chronic diseases with tobacco as a risk factor.

The University of Hawaii System testified in support of this bill. The Department of Health; Hawaii Family Forum; Hawaii Catholic Conference; The Chamber of Commerce of Hawaii; Healthy Mothers Healthy Babies; American Heart Association; Papa Ola Lokahi; Coalition for a Tobacco-Free Hawaii; Hawaii Community Foundation; American Lung Association in Hawaii; Waianae Coast Comprehensive Health Center; Maui Youth & Family Services; Hale Opio Kauai, Inc.; Hawaii COPD Coalition; American Cancer Society Hawaii Pacific, Inc.; Tobacco Education & Assistance Program; The Friends of Kamalani and Lydgate Park; Puuwai Outrigger Canoe Club; Konawaena High School; and many concerned individuals opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2887, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 528-10 Finance on H.B. No. 2598

The purpose of this Act is to temporarily suspend the distribution of transient accommodations tax revenues to the counties.

The Representative of the 4th District; County of Hawaii; County of Kauai; County of Maui; City and County of Honolulu; City and County of Honolulu; the Council Chair of the Maui County Council; a member of the Maui County Council; a member of the Hawaii County Council; a member of the Kauai County Council; a member of the Honolulu City Council; Hawaii State Association of Counties; Hawaii Council of Mayors; Hawaii Government Employees Association; ILWU Local 142; Hawaii Hotel & Lodging Association; Hawaii State Teachers Association-Retired, Hawaii District; Waimea Plantation Cottages; Outrigger Hotels; and several concerned individuals opposed this bill. The Department of Budget and Finance, Hawaii Tourism Authority, and Tax Foundation of Hawaii provided comments.

After considering the testimony on this bill, your Committee has amended it substantially. Instead of suspending the distribution of the transient accommodations tax revenues to the counties, your Committee has temporarily placed a limit on the counties' share of the revenues. Under present law, the counties' share is set at 44.8 percent of total transient accommodations tax revenues. This bill establishes the counties' share as the lesser of 44.8 percent of the total transient accommodations tax revenues collected in a fiscal year, or \$94,355,000.

Your Committee has selected the figure "\$94,355,000" because it was the actual share of the transient accommodations tax revenues distributed to the counties in fiscal year 2008-2009. This represents the last year for which actual data of the amount distributed is available to your Committee.

Your Committee notes that the issue of suspending the distribution of the revenues to the counties generated much controversy in the community and divided the House. Your Committee finds that placing a limit on the counties' share of the transient accommodations tax revenues is an acceptable compromise. Your Committee believes that this bill, as amended, allows the counties to retain revenues upon which they depend while diverting future increases to the State.

Your Committee has also made the limit applicable until June 30, 2015.

Finally, your Committee has added provisions clarifying the manner in which the semi-annual payments of the counties' share are to be made by the State Director of Finance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2598, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 529-10 Finance on H.B. No. 2852

The purpose of this bill is to raise additional revenue by temporarily imposing, from July 1, 2010, to June 30, 2015, the insurance premium tax on mutual benefit societies and health maintenance organizations. This bill also establishes a credit against the insurance premium tax that a health insurer offering health insurance plans may claim for expenditures on medical workforce promotion, health workforce education, or indigent health care programs.

The Department of Commerce and Consumer Affairs, National Fraternal Congress of America, and Kaiser Permanente Hawaii testified in opposition to this bill. The Tax Foundation of Hawaii and Hawaii Medical Service Association offered comments.

Your Committee has amended this bill by:

- (1) Excluding fraternal benefit societies that offer benefit contracts from the insurance premium tax; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2852, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 530-10 Finance on H.B. No. 2866

The purpose of this bill is to work to address the fiscal crisis facing Hawaii by adjusting income tax rates for taxable years beginning after December 31, 2009, and ending before January 1, 2016.

The Policy Advisory Board for Elder Affairs; United Public Workers, AFSCME, Local 646, AFL-CIO; and Hawaii Government Employees Association testified in support of this bill. The Department of Taxation opposed this measure. Tax Foundation of Hawaii provided comments.

Upon further consideration, your Committee has amended this bill by deleting its contents and replacing it with language that provides the State with the ability to capture the state death tax credit as it existed in the Internal Revenue Code on December 31, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2866, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 531-10 Finance on H.B. No. 2867

The purpose of this bill is to increase state tax revenues by temporarily repealing various income tax deductions, exclusions, exemptions, and tax credits until December 31, 2015.

The Policy Advisory Board for Elder Affairs testified in support of this bill. The Hawaii Public Housing Authority; High Technology Development Corporation; Hawaii Food Industry Association; Pacific West Energy LLC; Hawaii Energy Policy Forum; Hawaii Animation Studios; Hawaii Venture Capital Association; EAH Housing; Island Film Group; Convergence CT, Inc.; and several concerned individuals opposed this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Department of Agriculture; Department of Community Services of the City and County of Honolulu; Hawaii Film and Entertainment Board; Hawaii Strategic Development Corporation; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; Hawaii Solar Energy Association; The Chamber of Commerce of Hawaii; Entertainment Software Association; Hawaii BioEnergy; The Mutual Housing Association of Hawaii, Inc.; Pacific Housing Advisors; PacificCap Group; and a concerned individual provided comments.

Your Committee has amended this bill by deleting its contents and replacing them with provisions that, among other things:

- (1) Limit business credit claims to 80 percent of a taxpayer's tax liability for the taxable year in which the credit is claimed for taxable years beginning on or after January 1, 2010, and ending before January 1, 2012; and
- (2) Prohibit a credit carryover of any business credit generated between January 1, 2010, and December 31, 2011.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2867, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 532-10 Finance on H.B. No. 2877

The purpose of this bill, as received by your Committee, is to address the current fiscal crisis facing the State by temporarily suspending the General Excise Tax (GET) exemption for certain:

- (1) Persons and instead require those persons to pay the GET at the one-half percent rate; and
- (2) Amounts of gross income and gross proceeds of sale for certain sales and services and to instead assess the GET at a rate of one-half percent for those amounts.

Prior to the hearing, your Committee circulated a proposed House Draft 1 (H.D. 1) for review and comment. A public hearing was held on, and testimony was received for, the proposed H.D. 1.

As amended, the purpose of this bill is to address the current fiscal crisis facing the State by temporarily suspending the GET exemption for certain persons and instead requiring those persons to pay the GET at the one-half percent rate.

The Policy Advisory Board for Elder Affairs and Hawaii Bar Owners Association testified in support of this bill. The Hawaii Housing Finance and Development Corporation; Hawaii Tourism Authority; Mutual Housing Association of Hawaii, Inc.; Land Use Research Foundation of Hawaii; Foresters; National Fraternal Congress of America; Wyndham Worldwide; Kilakila Employer Services, Inc.; Castle & Cooke Hawaii; Retail Merchants of Hawaii; ALTRES, Inc.; Hawaii Bankers Association; Outrigger Hotels; EAH Housing; Knights of Columbus; American Resort Development Association-Hawaii; Hawaii Credit Union League; and many concerned individuals opposed this measure. The Department of Taxation (DOTAX), Tax Foundation of Hawaii, Hawaii Association of REALTORS, The Chamber of Commerce of Hawaii, Ship Repair Association of Hawaii, ILWU Local 142, and a concerned individual provided comments.

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

- (1) Inserting new and deleting previously identified persons and certain amounts of gross income or proceeds for which this bill suspends the GET exemption;
- (2) Requiring the payment of the GET by the affected entities at a one percent rate;
- (3) Temporarily suspending the exemptions for certain persons and certain amounts of gross income or proceeds from the Use Tax and Public Service Company Tax;
- (4) Requiring the payment of the Use Tax and Public Service Company Tax by the affected entities at a one percent rate;
- (5) Authorizing DOTAX to permit taxpayers to postpone payment of taxes due in early fiscal year 2010-2011 until the deadline to file the annual general excise, use, or public service company tax return, as applicable (without regard to any extension);
- (6) Deleting provisions specifying years beginning after December 31, 2009, and ending before January 1, 2016, as the applicable taxable years; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2877, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 533-10 Finance on H.B. No. 2962

The purpose of this bill is to, beginning on July 1, 2010, temporarily defer deductions against a taxpayer's net income tax liability for claims under the Technology Infrastructure Renovation Tax Credit and High Technology Business Investment Tax Credit until July 1, 2013.

The Hawaii Venture Capital Association, PacifiCap Group, and a concerned individual testified in opposition to this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by incorporating the suggestion of DOTAX to clarify that no tax liability shall be reduced by a credit under the Technology Infrastructure Renovation Tax Credit and High Technology Business Investment Tax Credit until July 1, 2013.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2962, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 534-10 Finance on H.B. No. 2737

The purpose of this bill is to help generate additional revenue for the State by directing the Department of Land and Natural Resources (DLNR) to dispose of certain parcels of public land:

- (1) Not essential to public safety, health, or welfare, through public auction or negotiation; and
- (2) Leased to not-for-profits meeting specified criteria.

The Sand Island Business Association and a concerned individual testified in support of this bill. The Kanaka Council Moku O Keawe, Mauna Kea Anaina Hou, The Outdoor Circle, Association of Hawaiian Civic Clubs, Hawaiian Civic Club of Hilo, KAHEA, the Representative of District 4, Life of the Land, and numerous concerned individuals opposed this measure. DLNR, the Office of Hawaiian Affairs, and Koolaupoko Hawaiian Civic Club provided comments.

Your Committee has amended this bill by:

- (1) Deleting certain references to public lands considered nonessential to the provision of public health, safety, and welfare services by the State or county, including public lands:
 - (A) On Mauna Kea on the Island of Hawaii;
 - (B) Adjacent to the site of the University of Hawaii's proposed Kapolei campus;
 - (C) On the final Kakaako park subdivision map noted as Kakaako Makai, Lots 2, 3, and 9; and
 - (D) Identified as AAFES Property;
- (2) Adding a reference to the Leahi Hospital property as an example of public lands to be considered under this bill;
- (3) Providing that the State will retain the first right of refusal to buy back public lands sold pursuant to the provisions of this bill;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2737, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 535-10 Water, Land, & Ocean Resources/Housing on H.B. No. 2849

The purpose of this bill is to encourage the development of affordable residential housing units by statutorily imposing a reserved housing requirement for the Kakaako mauka area of the Kakaako Community Development District for planned developments that are more than 45 feet in height or have a floor area ratio greater than 1.5 on land areas of 20,000 square feet or more.

Hawaiian Dredging Construction Company, Marshall Realty, Inc., and several concerned individuals testified in support of this bill. The Hawaii Community Development Authority (HCDA); Land Use Research Foundation of Hawaii; General Growth Properties, Inc.; Servco Pacific Inc.; and U. Okada & Co., Ltd., opposed this measure. Kamehameha Schools and The Gas Company provided comments.

A concern was raised by the Attorney General (AG) that increasing the reserved housing requirement for developments within the Kakaako Community Development District to an amount beyond that required by HCDA's rules as of the effective date of the master plan approval could potentially expose the State of Hawaii to liability to the landowner under the vested rights and equitable estoppels doctrines, which protect developers from government altering land use regulations once a developer has substantially relied on existing law.

The doctrine of equitable estoppel is based on a change of position on the part of a land developer by substantial expenditure of money in connection with his project in reliance, not solely on existing zoning laws or on good faith expectancy that his development will be permitted, but on official assurance on which he has a right to rely that his project has met zoning requirements, that necessary approvals will be forthcoming in due course, and he may safely proceed with the project. *County of*

Kauai v. Pacific Standard Life Insurance Company, 65 Haw. 318, at 327 (quoting *Life of the Land v. City Council*, 61 Haw. 390 (1980)).

The AG asserts that under this doctrine, the government would be estopped from changing the land use requirements after the final discretionary approval has been granted.

The difference between equitable estoppel and the vested rights doctrine is that estoppel focuses on whether it would be inequitable to allow the government to repudiate its prior conduct, whereas vested rights focuses on whether the owner acquired real property rights which cannot be taken away by governmental regulation. *Allen v. City and County of Honolulu*, 58 Haw. 432, 435 (1977).

However, your Committees are of the view that approved master plan permits do not constitute official assurances or "final discretionary approvals," as set forth in *County of Kauai*, that can be relied upon by a landowner because a development agreement has not yet been executed between HCDA and a landowner. In fact, in a previously approved master plan and order, the petitioner was directed to enter into a development agreement with HCDA to provide the parties to the development agreement with assurances that, among other things, the development will not be restricted or prohibited by any statutes or rules enacted or promulgated by HCDA after the date of approval of the master plan permit. Similarly, a landowner could not reasonably rely on such a plan permit to confer upon it vested rights.

As one of the main centers of urban living in Honolulu, the vision of the Kakaako area, as originally envisioned in the Kakaako Community Development District Plan, in February 1982, projected the construction of 19,000 multi-family units, of which 75 percent were to be made available to Hawaii residents at affordable prices and rents. Of the 19,000 units, the following proportion was intended:

- (1) 12 percent for very low-income households (less than 50 percent of the median income);
- (2) 26 percent for low- and low-moderate income households (50 to 80 percent of median income);
- (3) 7 percent for "Hula Mae" or "gap group" households (80 to 120 percent of median income);
- (4) 30 percent for "unserved" households (greater than 80 percent of median income, but unable to afford to purchase a unit); and
- (5) 25 percent for "unassisted" households (those not needing assistance to purchase a unit).

As of 2009, however, 7,000 units have been newly constructed, and only about 2,000 units are affordable housing units. The remaining approximately 5,000 units are in the luxury range. Your Committees therefore believe that the passage of this bill is necessary to ensure the Kakaako area is developed according to its original vision.

Your Committees find that pursuant to the Hawaii Supreme Court's findings in *Allen*, at 438, even if a government entity were to be equitably stopped from enforcing the terms of a new ordinance the proper remedy is to invalidate the new legislation and allow the construction to continue, not an award of damages for costs. The consequences of damages in such a case would be to inhibit governmental experimentation in land use controls and negatively impact the community's control of the allocation of its resources.

Finally, the AG advised that legislation altering reserved housing requirements that apply to master plans already approved under existing law would apply retroactively only if the legislation is explicitly made retroactive, and clearly applies to already-approved master plans.

Accordingly, your Committees have amended this bill by:

- (1) Including the Legislature's findings regarding the Legislature's intent to retroactively apply the increased reserved housing requirements set forth in this bill to master plans previously approved by HCDA; and
- (2) Inserting language from House Bill No. 2846 giving developers the option to offset the reserved housing requirement by transferring land to another entity identified by and on terms approved by HCDA, as well as to HCDA.

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2849, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2849, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chong, Coffman, Herkes, Luke and Morita.

SCRep. 536-10 Water, Land, & Ocean Resources/Housing on H.B. No. 2918

The purpose of this bill is to help facilitate construction in the Kakaako Community Development District by authorizing the Hawaii Community Development Authority to enter into development agreements.

The Land Use Research Foundation of Hawaii, Kamehameha Schools, and Group 70 International testified in support of this bill. Marshall Realty, Inc., and several concerned individuals opposed this measure. The Hawaii Community Development Authority provided comments.

Your Committees acknowledge the concerns raised regarding the adequacy of the reserved housing requirements with respect to development agreements and believe that this issue merits further discussion.

Your Committees have amended this bill by:

- (1) Specifying a reserved housing requirement for all development agreements;
- (2) Removing language stating that development agreements shall provide that all development rights in the development agreement shall be deemed vested upon the execution of the development agreement;
- (3) Specifying that the development agreement shall control in the event of a conflict between the development agreement and the approved master plan;
- (4) Removing language that provided that development agreements are subject only to those laws, regulations, and ordinances in effect at the time of the original development agreement, and are not subject to subsequent laws, regulations, or ordinances;
- (5) Removing language that made the provisions of this bill applicable retroactively; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2918, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2918, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chong, Coffman, Herkes, Luke and Morita.

SCRep. 537-10 Housing on H.B. No. 2311

The purpose of this bill is to help protect the rights of homeowners by prohibiting planned community associations from disallowing members to erect and use a flag pole to display the United States or Hawaii State flag.

The Oahu Veterans Council and many concerned individuals testified in support of this bill. Several concerned individuals opposed this measure. The Community Associations Institute-Hawaii Chapter and many concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Prohibiting associations and boards of directors from assessing any fee for the placement of any flag pole; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2311, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Luke and Morita.

SCRep. 538-10 Judiciary on H.B. No. 2724

The purpose of this bill is to help prevent cruelty to animals by further defining the offense of cruelty to animals in the second degree to include, among other things, knowingly, or recklessly tethering, fastening, tying, or restraining a dog to a cable trolley system under certain conditions.

The Humane Society of the United States, Hawaiian Humane Society, Maui Humane Society, West Hawaii Humane Society, and several concerned individuals supported this bill. The Office of the Public Defender opposed this measure. The Pet Industry Joint Advisory Council provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the tethering, fastening, tying, or restraining of a dog to a stationary object must be in a cruel or inhumane manner to commit the offense of cruelty to animals;
- (2) Removing language that categorized, as an offense of cruelty to animals, the tethering, fastening, tying, or restraining of a dog by a tether or chain that is less than five times the length of the dog, measured from the tip of its nose to the base of its tail, or is less than ten feet in length as cruelty to animals;
- (3) Changing the age of the dog from six months to two months at which tethering, fastening, tying, or restraining the dog in a cruel or inhumane manner is considered cruelty to animals;
- (4) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2724, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 539-10 Judiciary on H.B. No. 1752

The purpose of this bill is to increase judicial discretion by excluding certain non-violent offenders from the repeat offenders statute requiring mandatory minimum prison terms.

The Libertarian Party of Honolulu, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this bill. A member of the Board of Education, the Office of the Public Defender, and Community Alliance of Prisons supported this measure with amendments. The Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, and Honolulu Police Department opposed this bill.

Your Committee is aware that the intent of this bill is to give back to Hawaii state judges discretion in sentencing certain defendants guilty of certain crimes as enumerated in the bill, without requiring any minimum jail time or alternative sentencing methods if the circumstances do not require incarceration.

Your Committee also notes that the mandatory incarceration of defendants results in huge costs to the State and does not lead to a reduction in recidivism.

Your Committee has been informed by the Judiciary that the incarceration of an adult defendant costs about \$50,735 per year. The use of alternative courts, such as drug court or Hawaii's Opportunity Probation with Enforcement (HOPE) program, costs about \$8,000 per year for each defendant. In addition, the rates of recidivism for defendants graduating from these alternative courts are markedly lower than those leaving incarceration.

Your Committee has amended this bill by:

- (1) Including in the repeat offenders statute requiring mandatory minimum prison terms, persons convicted of the following felonies:
 - (A) Continuous sexual assault of a minor under the age of fourteen years (section 707-733.6, Hawaii Revised Statutes (HRS));
 - (B) Promoting child abuse in the first degree (section 707-750, HRS);
 - (C) Identity theft in the first degree (section 708-839.6, HRS);
 - (D) Robbery in the first degree (section 708-840, HRS);
 - (E) Promoting child abuse in the second degree (section 707-751, HRS);
 - (F) Electronic enticement of a child in the first degree (section 707-756, HRS);
 - (G) Extortion in the first degree (section 707-765, HRS);
 - (H) Theft in the first degree (section 708-830.5, HRS);
 - (I) Identity theft in the second degree (section 708-839.7, HRS);
 - (J) Forgery in the first degree (section 708-851, HRS);
 - (K) Computer fraud in the first degree (section 708-891, HRS);
 - (L) Unauthorized computer access in the first degree (section 708-895.5, HRS);
 - (M) Money laundering (section 708A-3, HRS);
 - (N) Bribery (section 710-1040, HRS);
 - (O) Promoting prostitution in the first degree (section 712-1202, HRS);
 - (P) Electronic enticement of a child in the second degree (section 707-757, HRS);
 - (Q) Extortion in the second degree (section 707-766, HRS);
 - (R) Burglary in the second degree (section 708-811, HRS);
 - (S) Identity theft in the third degree (section 708-839.8, HRS);
 - (T) Unauthorized possession of confidential personal information (section 708-839.55, HRS);
 - (U) Computer fraud in the second degree (section 708-892, HRS); and
 - (V) Promoting prostitution in the second degree (section 712-1203, HRS);

and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1752, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Luke, Mizuno, Morita, Souki and Thielen.

SCRep. 540-10 Judiciary on H.B. No. 1756

The purpose of this bill is to allow for the expungement of convictions for non-violent offenses that are over five years old.

The Office of the Public Defender testified in support of this bill. The Department of the Attorney General, Prosecuting Attorney of the City and County of Honolulu, Maui Police Department, and Hawaii State Coalition Against Domestic Violence opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring a five year waiting period after the completion of sentencing or probation for the offense to be expunged, whichever is later, before an application for expungement may be filed with the court;
- (2) Removing the provision restricting expungement to non-violent offenses;
- (3) Prohibiting the expungement of a conviction for any crime that is not eligible for a deferred acceptance of a guilty plea or nolo contendere plea;
- (4) Requiring that the court determine that the defendant is not likely to engage in a criminal course of conduct before issuing an expungement order;
- (5) Requiring that the court determine that the ends of justice and the welfare of society do not require that the conviction remain on the applicant's record; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1756, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Luke, Mizuno, Morita, Souki and Thielen.
(Representative Marumoto voted no.)

SCRep. 541-10 Consumer Protection & Commerce on H.B. No. 1847

The purpose of this bill is to help ensure a consistent practice of quality nursing by, among other things:

- (1) Defining the practice of nursing;
- (2) Directing the State Board of Nursing to adopt certain provisions of the National Council of State Board of Nursing Model Nursing Practice Act and Model Nursing Administrative Rules; and
- (3) Delineating the scope of practice for registered nurses, licensed practical nurses, and advanced practice registered nurses (APRNs), including:
 - (A) Removing the dispensing of drugs from the scope of practice for an APRN; and
 - (B) Specifying that, for purposes of the Uniform Controlled Substance Act, APRNs are not authorized to request, receive, or sign for professional controlled substance samples.

The Department of Public Safety, Board of Nursing, University of Hawaii System, Hawaii State Center for Nursing, Hawaii Association of Professional Nurses, American Academy of Nurse Practitioners, and numerous concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1847, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Mizuno.

SCRep. 542-10 Consumer Protection & Commerce on H.B. No. 2056

The purpose of this bill is to broaden the practical experience requirements for a pharmacist license by:

- (1) Allowing experience gained in the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam and American Samoa to count toward licensure;
- (2) Expanding the types of service and experience that count toward licensure;
- (3) Allowing practical experience completed under a registered pharmacist to count toward licensure; and
- (4) Removing the requirement that experience required for licensure take place in a pharmacy.

The Board of Pharmacy, University of Hawaii at Hilo, College of Pharmacy; Kaiser Permanente Hawaii; Longs Drugs; and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2056, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 543-10 Consumer Protection & Commerce on H.B. No. 1944

The purpose of this bill is to help support members of the United States military by, among other things:

- (1) Prohibiting health clubs that grant a service member's request for contract suspension due to service outside of the state from charging any fees to reinstate the contract; and
- (2) Requiring health clubs that grant a service member's request for contract suspension due to service outside of the state to maintain the original payment obligations set forth in the original contract.

The Oahu Veterans Council, Military Officers Association of America-Hawaii Chapter, and a concerned individual testified in support of this bill.

Your Committee notes that while the federal Service Members Civic Relief Act (Act) allows for the temporary suspension of contracts that may materially affect service members who agreed to those contracts before being notified of a deployment, the Act does not specifically address health club membership contracts.

Your Committee finds that explicitly providing protections for deploying military personnel with respect to health club membership contracts that they will not be able to use while serving outside of the state will provide valuable support to the men and women of the United States Armed Forces.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1944 and recommends that it pass Third Reading.

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

SCRep. 544-10 Consumer Protection & Commerce on H.B. No. 2238

The purpose of this bill is to clarify Hawaii's Renewable Portfolio Standards law by including customer-sited, grid-connected renewable energy generation in the definition of "renewable electrical energy" beginning January 1, 2015.

The Department of Business, Economic Development, and Tourism, Public Utilities Commission, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Solar Energy Association, and a concerned individual testified in support of this bill. Blue Planet Foundation and Island Pacific Energy LLC opposed this measure.

Your Committee finds that this clarification will encourage electric utilities to facilitate the integration of customer-cited, grid-connected renewable energy systems into the utility grid.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2238 and recommends that it pass Third Reading.

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

SCRep. 545-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2083

The purpose of this bill is to ensure consumer safety by requiring milk and soy milk beverages sold in Hawaii to be labeled with the date of pasteurization or the date of packaging.

The Hawaii Teamsters and Allied Workers, Local 996 testified in support of this bill. The Department of Health, Hawaii Food Industry Association, Retail Merchants of Hawaii, and The Pepsi Bottling Group of Hawaii opposed this measure. The Department of Agriculture provided comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2083, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Mizuno and Morita.

SCRep. 546-10 Judiciary on H.B. No. 2263

The purpose of this bill is to permit a provisional licensee to obtain a driver's license at age 18 even if the person has held the provisional license for less than six months.

The Department of Transportation, City and County of Honolulu, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2263 and recommends that it pass Third Reading.

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

SCRep. 547-10 Judiciary on S.B. No. 520

The purpose of this bill is to clarify possession of automobile legal ownership certificates to ensure consumers receive clear title to a vehicle from a dealer.

The Hawaii Automobile Dealers Association and Motor Vehicle Licensing Board supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 520, S.D. 1, and recommends that it pass Third Reading.

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

SCRep. 548-10 Housing on H.B. No. 2568

The purpose of this bill is to help ensure the timely and efficient performance of duties by the board of directors of the Hawaii Public Housing Authority by reducing the number of members required to constitute a quorum.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2568 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Har, C. Lee, Luke and Morita.

SCRep. 549-10 Judiciary on H.B. No. 2796

The purpose of this bill is to ensure that domestic abuse victims are afforded continuous protection under temporary restraining orders (TROs) or protective orders, by authorizing a TRO to remain in effect for 90 days or until service of a protective order, whichever occurs first.

This bill also provides for protective orders issued orally in court to be effective upon service of the respondent.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Domestic Violence Action Center and Hawaii State Coalition Against Domestic Violence testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the protective order must be personally served to take effect;
- (2) Clarifying that if the respondent is present at the hearing at which the protective order is granted, the protective order takes effect as of the date of the hearing;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2796, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2796, H.D. 1.

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

SCRep. 550-10 Judiciary on H.B. No. 2904

The purpose of this bill is to affirm the position of county general plans and development plans in the land use regulatory process by clarifying that general plans and development plans are not intended to serve as, or replace the county regulatory process.

The Building Industry Association - Hawaii, The Chamber of Commerce of Hawaii, Land Use Research Foundation, and a concerned individual supported this bill. The Maui County Department of Planning, a member of the Maui County Council, Maui Tomorrow Foundation, Inc., and several concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Removing the provision that general and development plans shall not replace the county's power to establish zoning or subdivision requirements by ordinance or rule;
- (2) Clarifying that the State General Plan remains as the ultimate controlling authority of land use in the State of Hawaii;
- (3) Clarifying the counties' authority to plan and zone in lands outside of conservation areas;
- (4) Providing that even if they are discouraged, land uses that are permitted:
 - (A) Under the state general plan;
 - (B) A county's general plan or development plan; and
 - (C) The county's current zoning,
 for a tract of land, shall not be denied for lack of consistency or conformity;
- (5) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2904, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2904, H.D. 1.

Signed by all members of the Committee except Representatives Herkes and Morita.
(Representatives Belatti, Carroll, Luke, McKelvey, Wakai and Thielen voted no.)

SCRep. 551-10 Consumer Protection & Commerce on H.B. No. 2461

The purpose of this bill is to provide continuity in health care by requiring health insurers and related entities who issue prescription drug coverage to offer insureds at least the same prescription drug coverage they had under their previous health plan.

The American Cancer Society, Neuropathy Action Foundation, GBS/CIDP Foundation International, Mental Health America of Hawaii, and a concerned individual testified in support of this bill. Hawaii Medical Association supported the intent of this measure. The Department of Commerce and Consumer Affairs, Department of Human Services (DHS), Hawaii Medical Service Association, Hawaii Association of Health Plans, Kaiser Permanente Hawaii, and Ohana Health Plan opposed this bill.

Your Committee finds that while many individuals have an interest in retaining their prescription drug coverage when they change health plans, the broad scope of this bill may present administrative complexities involving multiple drug plans and different premium rates for employees under the same employer or labor union. There are concerns that these administrative considerations may discourage employers and unions from providing prescription drug benefits for their employees, resulting in a reduction in drug coverage rather than assuring continued coverage as this bill originally intends. The provisions of this bill should therefore be carefully applied. In addition, it appears that the impetus behind this bill is the recent change in prescription drug coverage for state workers under the Hawaii Employee-Union Health Benefits Trust Fund (EUTF), resulting in higher drug costs for these employees and the unavailability of physician-recommended drugs under the new plan.

Accordingly, your Committee has amended this bill by limiting the scope of the prescription drug provisions to EUTF enrollees for the period they are continuously enrolled. As amended, this bill:

- (1) Requires EUTF during enrollment periods to offer to continue the same prescription drug coverage for currently enrolled employee-beneficiaries and dependent-beneficiaries; and
- (2) Retroactively applies this provision to the EUTF enrollment periods ending on:
 - (A) December 7, 2009, for active employees; and
 - (B) November 30, 2009, for retirees.

Upon further consideration, your Committee has also amended this bill by inserting a provision that prohibits DHS from requiring:

- (1) DHS approval for a Medicaid or QUEST health plan to deliver services through telehealth means; or
- (2) In-person health care visits to qualify telehealth services for coverage under these health plans.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2461, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2461, H.D. 2.

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

SCRep. 552-10 Consumer Protection & Commerce/Judiciary on H.B. No. 2087

The purpose of this bill is to ensure that health plans providing services under government programs are not unfairly charged interest under the Clean Claims Law, by exempting these health plans from interest accrual on late payments to service providers that are caused by delayed government reimbursements to the health plan for those services.

The Hawaii Medical Service Association, Kaiser Permanente, and Ohana Health Plan testified in support of this bill. The Department of Human Services opposed this measure. The Healthcare Association of Hawaii and AlohaCare provided comments.

The Clean Claims Law requires health plans to pay providers within certain timeframes, and imposes interest on late payments. When government entities delay payments to health plans for services provided as part of a government program, the health plan must pay interest on late payments to providers even though the delay was beyond the control of the health plan. This bill exempts health plans from paying interest for delays caused by late government reimbursements.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style, including clarifying that Medicaid and Medigap claims are exempt from the Clean Claims Law.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2087, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2087, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, McKelvey, Mizuno and Morita.

SCRep. 553-10 Judiciary on H.B. No. 1987

The purpose of this bill is to provide additional penalties for the use of illegal fireworks by, among other things:

- (1) Establishing a civil cause of action to abate the illegal purchasing, selling, possession, setting off, igniting, or discharging of fireworks;
- (2) Allowing the court to order the closure of any place used in violation of the fireworks laws; and
- (3) Providing for the forfeiture of property used in violation of the fireworks law.

A concerned individual testified in support of this bill. The County of Hawaii Fire Department, County of Maui Department of Fire and Public Safety, County of Kauai Fire Department, State Fire Council, American Lung Association in Hawaii, and Legislative Information Services of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provisions in this bill that created a new part, relating to nuisances, in Chapter 132D, Hawaii Revised Statutes (HRS), relating to fireworks;
- (2) Increasing the penalties for illegal use of fireworks by applying nuisance abatement laws to such violations;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1987, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1987, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Luke, Mizuno, Morita, Souki and Thielen.

SCRep. 554-10 Judiciary on H.B. No. 2661

The purpose of this bill is to improve the availability of organ donations by establishing that only an express refusal by a person or persons authorized to amend or revoke a decision to make an anatomical gift will amend or revoke that decision.

The American Diabetes Association and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Carroll, Luke, Mizuno, Morita, Souki and Thielen.

SCRep. 555-10 Judiciary on S.B. No. 466

The purpose of this bill is to reduce noise pollution and other health hazards caused by leaf blowers by limiting their use to certain times in residential areas or within 100 feet of a residential zone. In addition, this measure will prohibit blowing leaf-blower debris onto an adjoining property or public property.

Several concerned individuals testified in support of this bill. Many concerned individuals supported the intent of this measure. A concerned individual supported this bill with amendments. The Department of Health, Performance Landscapes, Landscape Industry Council of Hawaii, and a concerned individual opposed this measure. The Department of Parks and Recreation of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 556-10 Finance on H.B. No. 2293

The purpose of this bill is to establish a temporary source of funds for Department of Agriculture (DOA) personnel and operating costs by:

- (1) Establishing the DOA Staffing Special Fund (Special Fund) to pay salary, fringe benefits, and operating costs of department positions funded from the general fund or Agricultural Loan Reserve Fund as of June 30, 2009;
- (2) Requiring interest and fees collected under the DOA agricultural loan program to be deposited into the Special Fund;
- (3) Requiring the lesser of 50 percent or \$1,000,000 of payments received under the agricultural loan program on account of principal to be deposited into the Special Fund, provided that a reserve is maintained to guarantee loan payments;
- (4) Repealing DOA's authority to transfer moneys in the Agricultural Loan Revolving Fund to and from the Aquaculture Loan Revolving Fund;
- (5) Repealing these provisions on an unspecified date in the future; and
- (6) Requiring DOA to submit a report to the 2012 Legislature identifying:
 - (a) The amount of money deposited into the Special Fund from July 1, 2010, until December 31, 2011, pursuant to these provisions;
 - (b) The amount of money expended or encumbered during those dates;
 - (c) The projected amount to be deposited into the Special Fund from January 1, 2012, until June 30, 2012; and
 - (d) The DOA's recommendation on whether the provisions should be repealed earlier than June 30, 2015.

Hawaii Farm Bureau Federation testified in support of this bill. The Department of Agriculture provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 557-10 Finance on H.B. No. 2503

The purpose of this bill is to allow moneys in the Pesticide Use Revolving Fund to support the full range of the Department of Agriculture Pesticide Branch's registration and licensing, certification and education, and compliance monitoring activities by removing the requirement that expenditures for personnel costs be limited to personnel in the registration and education section of the Pesticide Branch.

The Department of Agriculture testified in support of this bill. The Hawaii Farm Bureau Federation and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2503, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 558-10 Finance on H.B. No. 2948

The purpose of this bill is to protect agriculture in Hawaii by:

- (1) Establishing restrictions on the interisland movement of agricultural articles;
- (2) Including nonagricultural articles capable of harboring pests within the scope of these regulations, including container labeling requirements;
- (3) Expanding the requirements for arrival notification for marine vessels and aircraft;
- (4) Broadening inspectors' authority to quarantine or inspect; and
- (5) Establishing violations of conditions of importation or interisland movement of agricultural and nonagricultural articles as a misdemeanor offense and increasing the fine for violators.

The Department of Agriculture, The Nature Conservancy of Hawaii, and Hawaii Farm Bureau Federation testified in support of this bill. Airlines Committee of Hawaii, Coordinating Group on Alien Pest Species, Hawaiian Airlines, and a concerned individual provided comment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2948, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 559-10 Finance on H.B. No. 2290

The purpose of this bill is to provide a dedicated source of funding for the State's agricultural commodity inspection activities, by among other things:

- (1) Establishing an Agriculture Inspection and Certification Special Fund (Special Fund) for that purpose, to receive fees, fines, and penalties, federal funds, grants and gifts, and other moneys obtained in connection with agricultural inspection and certification;
- (2) Repealing the Certification Services Revolving Fund and transferring its moneys and obligations to the Special Fund;
- (3) Requiring the Department of Agriculture (DOA) to impose or increase fees by rule at levels sufficient to pay the operating costs of agricultural inspection and certification, and providing statutory rates effective if DOA fails to adopt rules; and
- (4) Appropriating \$1,400,000 in general revenues for the Agriculture Inspection and Certification Program for fiscal year 2010-2011.

The Department of Agriculture, Hawaii Farm Bureau Federation, Monsato Hawaii, and a concerned individual testified in support of this bill. The Department of Budget and Finance; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO, and Hawaii Crop Improvement Association provided comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation from \$1,400,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2290, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2290, H.D. 2.

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

SCRep. 560-10 Finance on H.B. No. 2291

The purpose of this bill is to make the Department of Agriculture's (DOA) Measurement Standards Program (Program) financially self-supporting by:

- (1) Establishing a Weights and Measurements Special Fund; and
- (2) Requiring the Board of Agriculture to adopt or amend rules to impose or increase fees authorized to be charged under the Program, to cover the Program's costs.

DOA, Department of Budget and Finance, and Hawaii Crop Improvement Association provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2291, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2291, H.D. 2.

Signed by all members of the Committee.

SCRep. 561-10 Finance on H.B. No. 2294

The purpose of this bill is to provide a dedicated source of funding for the inspection, quarantine, biosecurity, and eradication programs of the Department of Agriculture (DOA) under Chapter 150A, Hawaii Revised Statutes (Chapter 150A), by:

- (1) Expanding the use of moneys in the Pest Inspection, Quarantine, and Eradication Fund (Special Fund) to include biosecurity services and any other services provided under Chapter 150A;
- (2) Authorizing all fees and fines imposed under Chapter 150A to be deposited into the Special Fund;
- (3) Repealing the Permit Revolving Fund and Microorganism Import Certification Revolving Fund and transferring moneys and obligations of these funds to the Special Fund;
- (4) Providing that the fee for inspection, quarantine, and eradication of invasive species in freight does not apply to aggregate bulk freight, cement bulk freight, coal bulk freight, or liquid bulk freight;
- (5) Establishing fines for failure to pay or remit the fee for inspection, quarantine, and eradication of invasive species in freight; and
- (6) Requiring the DOA to impose or increase fees under Chapter 150A by rule to levels sufficient to pay the costs of programs under the chapter, and providing statutory fee rates in the event that DOA fails to adopt rules.

Alexander and Baldwin, Inc.; Monsanto Hawaii; and AES Hawaii, Inc., testified in support of this bill. The Department of Agriculture, The Nature Conservancy of Hawaii, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Coordinating Group on Alien Pest Species, Hawaiian Cement, and Grace Pacific Corporation provided comments.

Your Committee has amended this bill by:

- (1) Deleting the amount appropriated from the Special Fund;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2294, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2294, H.D. 2.

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

SCRep. 562-10 Finance on H.B. No. 2409

The purpose of this Act is to encourage commercial aquaculture production in the state by authorizing public lands to be leased for this purpose for up to 45 years, and giving aquaculture operations in good standing a right of first refusal to renew the lease.

The Hawaii Farm Bureau Federation; East Oahu County Farm Bureau; Hawaii Aquaculture Association; Hawaii Oceanic Technology, Inc.; High Health Aquaculture Inc.; and numerous concerned individuals testified in support of this bill. Food & Water Watch and a multitude of concerned individuals opposed this measure. The Department of Land and Natural Resources, Maui Tomorrow Foundation, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Providing that the right of first refusal for aquaculture operations in good standing is permissive;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2409, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2409, H.D. 2.

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

SCRep. 563-10 Finance on H.B. No. 2642

The purpose of this bill is to increase cost savings through effective and efficient oversight of public utilities and energy policy reform by using moneys in the Public Utilities Special Fund to fully fund all positions included in the reorganization of the Public Utilities Commission (PUC) and the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy under Act 177, Session Laws of Hawaii 2007.

PUC; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Ltd.; Hawaii Transportation Association; Hawaii Energy Policy Forum; Hawaii Solar Energy Association; Blue Planet Foundation; Young Brothers, Limited; and tw telecom testified in support of this bill. The Consumer Advocate offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2642, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2642, H.D. 1.

Signed by all members of the Committee.

SCRep. 564-10 Finance on H.B. No. 1927

The purpose of this bill is to provide relief to owner-builders in this depressed and difficult economy by:

- (1) Allowing the sale or lease of a home within the one year period following completion of the project if such a sale or lease was necessitated by an unforeseen hardship;
- (2) Exempting small construction jobs from the contractor's licensing requirements provided the cost of the work is less than \$10,000 as reflected in the building permit; and
- (3) Establishing fines for failure to comply with the disclosure statement requirements.

The Hawaii Association of REALTORS testified in support of this bill. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Contractors License Board provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1927, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1927, H.D. 2.

Signed by all members of the Committee.

SCRep. 565-10 Finance on H.B. No. 2382

The purpose of this bill is to further develop Hawaii's digital media industry by:

- (1) Establishing digital media enterprise subzones within enterprise zones and surrounding University of Hawaii (UH) campuses, with the initial subzone located near the UH-West Oahu campus;

- (2) Establishing a Digital Media Infrastructure Tax Credit (Infrastructure Credit) and Digital Media Enterprise Subzone Workforce Development Tax Credit (Workforce Credit) for infrastructure development and Hawaii workforce employment within these subzones;
- (3) Encouraging insurance companies to invest in digital media infrastructure projects by authorizing the use of the Infrastructure Credit to offset state taxes on insurance companies;
- (4) Renaming the Hawaii Television and Film Special Fund the Hawaii Film Office Special Fund and expanding the fees and rents to be deposited into the fund; and
- (5) Allowing the imposition of fees for the administration and certification of the tax credits, which are to be deposited in the Hawaii Film Office Special Fund.

The UH Academy for Creative Media, Hawaii Animation Studios, Island Film Group, The Pacific Resource Partnership, and several concerned individuals testified in support of this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2382, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 566-10 Finance on H.B. No. 2058

The purpose of this bill is to allow the Natural Energy Laboratory of Hawaii Authority (NELHA) to specifically grant concessions for cell towers operators.

NELHA and AT&T testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2058, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 567-10 Finance on H.B. No. 2133

The purpose of this bill is to improve efficiency within the government procurement process by:

- (1) Amending the Hawaii Public Procurement Code to:
 - (A) Set time limits for awards in the request for proposal process;
 - (B) Make public contracts effective as of 10 days after the notice of the award;
 - (C) Specify that the solicitation, offer, bid, or proposal and the notice of award constitute the entire contract and agreement between the governmental body and the contractor; and
 - (D) Provide that a subsequent written and executed contract is not required;
- (2) Requiring the State Procurement Office (SPO) to authorize reseller agreements in multi-state contracting agreements; and
- (3) Requiring the Procurement Policy Board to adopt rules to promote small businesses in Hawaii including a five percent price preference.

The General Contractors Association testified in support of this bill. The Board of Water Supply of the City and County of Honolulu opposed this measure. The SPO and Department of Accounting and General Services provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2133, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 568-10 Finance on H.B. No. 2381

The purpose of this bill is to increase construction jobs and stimulate the economy by establishing a Residential Construction and Remodeling Tax Credit equal to four percent of the cost of residential construction or remodeling, capped at an unspecified amount and limited to construction costs incurred before an unspecified date.

The Hawaii Building and Construction Trades Council, AFL-CIO and The Pacific Resource Partnership testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Blanking the percentage amount of the tax credit;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2381, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2381, H.D. 2.

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

SCRep. 569-10 Finance on H.B. No. 2441

The purpose of this bill is to help facilitate additional construction in the state by requiring the Department of Hawaiian Home Lands, Department of Transportation (DOT), county Boards of Water Supply (BWS), and county Departments of Housing, Planning and Permitting, and Transportation to award project contracts within 30 days of the bid opening date with certain specified exceptions.

The Pacific Resource Partnership; General Contractors Association of Hawaii; and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The Planning Department of the County of Kauai opposed this measure. The State Procurement Office, DOT, and Department of Budget and Fiscal Services and BWS of the City and County of Honolulu offered comments.

Your Committee has amended this bill by:

- (1) Inserting a repeal date of June 30, 2015; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2441, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2441, H.D. 2.

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

SCRep. 570-10 Finance on H.B. No. 2831

The purpose of this bill is to give the Natural Energy Laboratory of Hawaii Authority (NELHA) the powers necessary to fulfill its responsibilities and increase its revenues by:

- (1) Authorizing NELHA to acquire, hold, and sell qualified securities subject to certain conditions, and accept donations of money or services; and
- (2) Requiring the board of directors of NELHA to describe these acquisitions, sales, and donations in its annual report.

NELHA testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the annual report to be submitted is the annual report of NELHA and not the annual report of the Board of Directors of NELHA;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2831, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2831, H.D. 2.

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

SCRep. 571-10 Finance on H.B. No. 2901

The purpose of this bill is to increase competition and the qualifications of offerors for design-build contracts by establishing a discretionary two-step request for proposals procurement process for construction contracts in which:

- (1) The design-build process is used;

- (2) Proposals are submitted by not more than five offerors, selected on the basis of their experience, past performance, capacity to complete the work on time, and location and familiarity with project location;
- (3) The purchasing agency:
 - (A) Shall pay a stipend of \$10,000 plus 0.5 percent of the amount of the contract to unsuccessful offerors who authorize the agency to use elements of their designs and waive their right to protest the award; and
 - (B) May increase the stipend percentage to 0.8 percent for complex or large contracts;
 and
- (4) Stipends for any single contract are capped at \$1,000,000.

The Coalition of Hawaii Engineering and Architectural Professionals; The Pacific Resource Partnership; SSFM International, Inc.; American Society of Civil Engineers; American Council of Engineering Companies of Hawaii; Fukunaga & Associates, Inc.; and Kennedy/Jenks Consultants testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the lump sum and contract percentage stipend amounts, the amount by which the purchasing agency may increase the percentage for large or complex contracts, and the maximum stipend amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2901, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2901, H.D. 2.

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

SCRep. 572-10 Finance on H.B. No. 2984

The purpose of this bill is to maintain some support for the State's high technology sector during these difficult economic times by extending the Tax Credit for Research Activities for one year while repealing the remaining tax credit provisions of Act 221, Session Laws of Hawaii 2001.

Pukoa Scientific, The Chamber of Commerce of Hawaii, and several concerned individuals testified in support of this bill. The Hawaii Strategic Development Corporation; High Technology Development Corporation; PacifiCap Group, LLC; Island Film Group; SDC Hawaii, LLC; and a concerned individual opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Science & Technology Council offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2984, H.D. 2.

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

SCRep. 573-10 Finance on H.B. No. 1852

The purpose of this bill is to:

- (1) Repeal the School-level Minor Repair and Maintenance Account as its account and reporting requirements are duplicative and unnecessary; and
- (2) Require the Department of Education (DOE) to submit a report to the Director of Finance, no later than 90 days after the close of each fiscal year, with a copy to the Legislature, identifying the total amount of special funds in the School-level Minor Repair and Maintenance Special Fund that will carry over to the next fiscal year.

DOE testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 574-10 Finance on H.B. No. 1854

The purpose of this bill is to allow use of the Food Distribution Program Revolving Fund for program-related expenses, such as consultant or personal services, travel expenses, and the purchase of furniture, equipment, computer hardware, or office supplies, as allowed under Title 7, Section 250.15 of the Code of Federal Regulations.

The Department of Education testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1854 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 575-10 Finance on H.B. No. 2074

The purpose of this bill is to require the Department of Education (DOE) to establish alternative routes to certification for principals and vice principals that meet the criteria set by the United States Department of Education for state applications for Race to the Top fund allocations under the federal American Recovery and Reinvestment Act of 2009.

This bill also allows DOE, on a case-by-case basis, to waive certification requirements until the alternative routes to certification are established.

DOE testified in support of this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2074, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 576-10 Finance on H.B. No. 2076

The purpose of this bill is to require the Department of Education (DOE), University of Hawaii (UH), Department of Labor and Industrial Relations (DLIR), and any other state agency as appropriate to share data to support research that will improve the educational and workforce outcomes and meet the longitudinal data requirements of the federal American Recovery and Reinvestment Act of 2009.

DOE, Workforce Development Council, UH System, and the Office of Hawaiian Affairs supported this bill. The Early Learning Council and the Hawaii P-20 Partnerships for Education provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2076, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 577-10 Finance on H.B. No. 2277

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000, to assist Kaimuki Christian School (KCS), with the planning, construction, improvement, and equipping of its educational facilities.

KCS, the Board of KCS, Hawaii Association of Independent Schools, Kaimuki Business and Professional Association, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2277, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 578-10 Finance on H.B. No. 2267

The purpose of this bill is to require the Department of Education (DOE) to distribute to charter schools on an equitable basis, federal grant or subsidy moneys received by DOE, when charter school enrollment numbers have been used to secure the funding.

The Hawaii Technology Academy and several concerned individuals testified in support of this bill. DOE, the Hawaii Charter School Administrative Office, Waimea Middle Public Conversion Charter School, Hawaii Charter Schools Network, and Kanu o ka Aina Learning Ohana provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2267, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2267, H.D. 1.

Signed by all members of the Committee.

SCRep. 579-10 Finance on H.B. No. 2376

The purpose of this bill is to improve the accountability of Hawaii's public education system by proposing a constitutional amendment to Article X, Section 2, of the Hawaii Constitution, to require the members of the Board of Education (BOE) to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor, as provided by law.

The Representative from the 36th District, Hawaii Association of Independent Schools, Hawaii Business Roundtable, Hawaii's Children First, and a concerned individual testified in support of this bill. BOE, Hawaii State Teachers Association, and several concerned individuals opposed this measure. The Governor's Administration; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Removing the constitutional provision for the nonvoting student member of BOE;
- (2) Clarifying the question to be printed on the ballot to read, "Shall the members of the board of education be nominated and, by and with the advice and consent of the senate, appointed by the governor, as provided by law?"; and
- (3) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2376, H.D. 3.

Signed by all members of the Committee.

SCRep. 580-10 Finance on H.B. No. 2486

The purpose of this bill is to ensure that students have a sufficient amount of classroom time by establishing a minimum number of instructional hours per school year for each grade level.

The Department of Education; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; and Hawaii Association of Independent Schools testified in support of this bill. A concerned individual opposed this measure. The Office of Collective Bargaining, Charter School Administrative Office, Hawaii State Teachers Association, Hawaii Technology Academy, Special Education Advisory Council, and several concerned individuals provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2486, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2486, H.D. 2.

Signed by all members of the Committee.

SCRep. 581-10 Finance on H.B. No. 2740

The purpose of this bill is to address the need for additional facilities to provide a quality learning environment by expediting and lowering the costs of school construction. Specifically, this bill directs the Department of Education (DOE) to enter into a financing agreement for the planning and design of the Royal Kunia Elementary School II using certificates of participation.

RKES, LLC; and several concerned individuals supported this bill. The Department of Budget and Finance and DOE submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2740, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2740, H.D. 1.

Signed by all members of the Committee.

SCRep. 582-10 Finance on H.B. No. 2239

The purpose of this bill is to allow the Deposit Beverage Container Program to recycle a wider range of beverage containers by defining "deposit beverage" to include containers of dietary supplement beverages, which include "energy" drinks.

The Sierra Club-Hawaii Chapter testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239 and recommends that it pass Third Reading.

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

SCRep. 583-10 Finance on H.B. No. 2497

The purpose of this bill is to work towards protecting Hawaii's precious environment by authorizing the issuance of special purpose revenue bonds to Carbon Bio-Engineers, Inc., for the development of non-fossil fuel energy production.

Carbon Bio-Engineers, Inc. testified in support of this bill. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2497 and recommends that it pass Third Reading.

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

SCRep. 584-10 Finance on H.B. No. 2421

The purpose of this bill is to help provide a framework for a clean energy initiative and food sustainability by, among other things:

- (1) Removing the cap on the Environmental Response Revolving Fund;
- (2) Renaming the "Environmental Response Tax" the "Environmental Response, Energy, and Food Security Tax" and increasing the tax to \$1.05 per barrel of petroleum product, except for aviation fuel, which will be taxed at five cents per barrel;
- (3) Allocating moneys collected by the Environmental Response, Energy, and Food Security Tax to the Environmental Response Revolving Fund, Energy Security Special Fund, Energy Systems Development Special Fund, and the Agricultural Development and Food Security Special Fund;
- (4) Authorizing expenditures from the Energy Security Special Fund for various purposes to meet the objectives of the Hawaii clean energy initiative program and requiring annual reporting on use of the funds;
- (5) Exempting from the State's fuel tax sales of petroleum product used by a provider of commercial air transportation to transport persons or property;
- (6) Establishing the Hawaii Economic Development Task Force;
- (7) Creating the Agricultural Development and Food Security Special Fund, making unspecified appropriations from the fund for various agricultural projects, and requiring annual reporting on the use of the funds;
- (8) Appropriating an unspecified amount from the Energy Security Special Fund to fund seven positions within the Hawaii Clean Energy Initiative Program;
- (9) Establishing the Renewable Energy Branch within the Department of Business, Economic Development, and Tourism (DBEDT);
- (10) Changing the existing position of the Renewable Energy Facilitator to a permanent position and appropriating an unspecified amount from the Energy Security Special Fund to fund the position;
- (11) Creating the position of the Energy Program Administrator as a full-time, exempt position within DBEDT and appropriating an unspecified amount from the Energy Security Special Fund to fund the position;
- (12) Establishing seven full-time temporary positions within DBEDT to support various planning and renewable-energy projects and appropriating an unspecified amount from the Energy Security Special Fund to fund the positions;
- (13) Authorizing the Governor to establish positions necessary to manage renewable energy projects funded by federal grants; and

- (14) Appropriating an unspecified amount from the Energy Security Special Fund to fund the Greenhouse Gas Emissions Reduction Task Force.

Enterprise Honolulu, the Oahu Economic Development Board; Sierra Club-Hawaii Chapter; The Chamber of Commerce of Hawaii; Hawaii Farm Bureau Federation; Blue Planet Foundation; and a concerned individual testified in support of this bill. The Department of Taxation, Department of Health, and Life of the Land opposed this measure. The Department of Budget and Finance, Department of the Attorney General, Tax Foundation of Hawaii, The Nature Conservancy, Hawaiian Airlines, and Airlines Committee of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting the tax on aviation fuel;
- (2) Removing the appropriation from the Energy Security Special Fund to fund seven positions within the Hawaii Clean Energy Initiative Program;
- (3) Deleting provisions that:
 - (A) Established the Renewable Energy Branch within DBEDT;
 - (B) Changed the existing position of the Renewable Energy Facilitator to a permanent position and appropriated moneys to fund the position;
 - (C) Created the position of the Energy Program Administrator as a full-time, exempt position within DBEDT and appropriated moneys to fund the position; and
 - (D) Established seven full-time temporary positions within DBEDT to support various planning and renewable-energy projects and appropriated moneys to fund the positions;
- (4) Appropriating an unspecified amount of funds for the Climate Change Task Force established pursuant to Act 20, Special Session Laws of 2009;
- (5) Including a one-time transfer of \$10,000,000 from the Energy Security Special Fund to the general fund;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2421, H.D. 2.

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

SCRep. 585-10 Finance on H.B. No. 2631

The purpose of this bill is to reduce government expenditures and petroleum industry costs by repealing the Petroleum Industry Monitoring, Analysis, and Reporting Program.

The Public Utilities Commission and Department of Business, Economic Development, and Tourism (DBEDT) submitted comments.

Your Committee has amended this bill by:

- (1) Requiring that refiners and distributors report monthly to DBEDT on fuel imported, exported, sold, transferred, used, refined, manufactured, compounded, and distributed;
- (2) Reinstating certain definitions necessary for this reporting requirement;
- (3) Changing the effective date to July 1, 2020; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2631, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2631, H.D. 2.

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

SCRep. 586-10 Finance on H.B. No. 2643

The purpose of this bill is to facilitate progress toward the State's energy efficiency and clean energy goals by establishing a Clean Energy Bond Loan Program financed by reimbursable general obligation bonds, to help renewable energy and energy efficiency system consumers meet the high initial cost of installing these systems.

The Office of the Lieutenant Governor; Department of Business, Economic Development, and Tourism; Blue Planet Foundation; Sierra Club-Hawaii Chapter; Hawaii Solar Energy Association; and County Club Village, Phase 2, Association of Apartment Owners testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee notes that while this loan program would provide an alternative to the renewable energy tax credit program to allow taxpayers to install renewable energy systems, there is some concern that if a taxpayer uses this loan program and also receives the renewable energy tax credit for the same project, that project will be granted a double subsidy. The existing renewable energy conservation tax credits would then become a windfall for those who are able to put forth the up-front costs for such devices, which could potentially result in a two-tier system whereby low-income and lower-middle income families remain dependent upon fossil fuels while those with more financial resources are able take advantage of alternate energy systems.

Your Committee has amended this bill by:

- (1) Blanking out the amount of the general obligation bonds for deposit into the Hawaii Clean Energy Bond Loan revolving fund;
- (2) Changing the date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2643, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2643, H.D. 2.

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

SCRep. 587-10 Finance on H.B. No. 2644

The purpose of this bill is to support the Office of Solid Waste Management by applying the solid waste disposal surcharge to waste deposited at waste-to-energy facilities, or transferred to solid waste reduction facilities within the state that collect solid waste for transport to an out-of-state landfill, incineration facility, or waste-to-energy facility.

Hawaii Farm Bureau Federation, West County Farm Bureau, and Hawaii Cattlemen's Council provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2644, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2644, H.D. 2.

Signed by all members of the Committee except Representative Sagum.

SCRep. 588-10 Finance on H.B. No. 1961

The purpose of this bill is to help restore the island of Kaho'olawe by providing long term funding for the Kaho'olawe Rehabilitation Trust Fund (Fund). This bill requires ocean recreational activity business operators conducting tours to and near Molokini Island to collect a \$1 surcharge from each customer. All proceeds from the surcharge shall be deposited into the Fund, except for administrative expenses.

The Office of Hawaiian Affairs and the Kaho'olawe Island Reserve Commission testified in support of this bill. The Department of Land and Natural Resources, the Ocean Tourism Coalition, Kauai Sea Tours, Atlantis Adventures, Captain Zodiac Rafting Adventure, Fair Wind Cruises, Frogman Charters, Blue Water Rafting, and several concerned individuals opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1961, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 589-10 Finance on H.B. No. 2676

The purpose of this bill is to better facilitate the Kaho'olawe Island Reserve Commission's (KIRC) ability to carry out its statutory duties to protect, preserve, and rehabilitate the island of Kaho'olawe by exempting contracts made by KIRC for the procurement of food or fuel products from the state procurement code except for the reporting requirements.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2676, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 590-10 Finance on H.B. No. 2052

The purpose of this bill is to enable the University of Hawaii (UH) to retain the flexibility to use different sources of UH funding to finance the establishment of new commercial enterprises by repealing the sunset date for the provision that allows UH to transfer certain funds into the UH Commercial Enterprises Revolving Fund.

The UH System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2052 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 591-10 Finance on H.B. No. 2053

The purpose of this bill is to help the University of Hawaii (UH) defray the costs involved in:

- (1) Carrying out capital improvements program (CIP) projects managed by UH;
- (2) Equitably assessing, collecting, and distributing moneys for current and other expenses associated with CIP projects, repair and maintenance projects, and major renovation projects; and
- (3) Managing the payment of expenses assessable against CIP projects managed by or through UH,

by establishing a UH Capital Improvements Program Project Assessment Special Fund.

The UH System supported this bill. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2053 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 592-10 Finance on H.B. No. 2641

The purpose of this bill is to allow the University of Hawaii (UH) to continue with student housing improvement projects by extending the date on which unencumbered revenue bonds authorized in Act 138, Session Laws of Hawaii 2005, are scheduled to lapse.

The University of Hawaii System and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to June 29, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2641, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2641, H.D. 1.

Signed by all members of the Committee.

SCRep. 593-10 Finance on H.B. No. 823

The purpose of this bill is to ensure that individuals receive adequate and quality health care by requiring health care plans to provide coverage for colorectal cancer screening by all A and B grade screening modalities as recommended by the United States Preventive Services Task Force.

The Office of the Auditor and American Cancer Society testified in support of this bill. The Department of Commerce and Consumer Affairs, Kaiser Permanente Hawaii, Hawaii Association of Health Plans, and Hawaii Medical Service Association provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 823, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 594-10 Finance on H.B. No. 1902

The purpose of this bill is to support and improve future long-term care services in Hawaii by extending the sunset date and legislative reporting of the Long Term Care Commission (LTCC).

The Long Term Care Commission, Hawaii Pacific Health, Healthcare Association of Hawaii, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

SCRep. 595-10 Finance on H.B. No. 2094

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$75,000,000, to assist Hawaii Pacific Health (HPH), its not-for profit affiliates, or both, with financing, refinancing, or reimbursing costs related to the acquisition or construction of health care facilities.

HPH, the Healthcare Association of Hawaii, and the Queen's Health Systems supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2094 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 596-10 Finance on H.B. No. 2170

The purpose of this bill is to ensure a more equitable collection of real property taxes by requiring the Department of Health (DOH), within six weeks of the last day of each month and at no charge, to provide each county's real property assessment division with a list of all persons age 18 and older whose deaths were recorded by DOH during the previous month.

The Maui County Real Property Tax Division, Real Property Assessment Division of the City and County of Honolulu, and County of Hawaii Finance Department testified in support of this bill. DOH, the Office of the Hawaii County Clerk, and City and County of Honolulu Office of the City Clerk provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 597-10 Finance on H.B. No. 2829

The purpose of this bill is to ensure the health and safety of persons who work or receive health care services in a hospital by requiring, among other things:

- (1) Hospitals to report hospital-acquired infection rates; and
- (2) The Department of Health (DOH) to establish procedures for collecting infection rate information and disclosing it to the public.

Consumers Union and several concerned individuals testified in support of this bill. The Healthcare Association of Hawaii opposed this measure. The Hawaii Medical Service Association provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2829, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 598-10 Finance on H.B. No. 2084

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating state funds to maximize the availability of the federal disproportionate share hospital allowance. Specifically, this measure appropriates \$12,654,867 to:

- (1) Match the federal disproportionate share hospital allowance allocated to Hawaii for fiscal year (FY) 2010; and
- (2) Obtain matching federal disproportionate share hospital allowance for prior FY expenditures by the State.

Hawaii Pacific Health; Hawaii Medical Service Association; Healthcare Association of Hawaii; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Department of Human Services opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the specific appropriation amount to match the federal disproportionate share allowance;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2084, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2084, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

SCRep. 599-10 Finance on H.B. No. 2085

The purpose of this bill is to help ensure the continuity of care for Hawaii's neediest population by establishing limits on requests for proposals from health and human service providers for QUEST contracts.

The Hawaii Medical Service Association; AlohaCare; and Faith Action for Community Equity, Oahu testified in support of this bill. The Department of Human Services and Ohana Health Plan opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2085, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2085, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

SCRep. 600-10 Finance on H.B. No. 2152

The purpose of this bill is to ensure access for Hawaii's disabled population to public buildings, facilities, and sites by requiring the Disability and Communication Access Board (Board) to charge a review process fee to correct design flaws prior to construction.

The Board and two concerned individuals testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2152, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2152, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

SCRep. 601-10 Finance on H.B. No. 2688

The purpose of this bill is to:

- (1) Increase the amount that the Environmental Health Education Fund (EHEF) may accumulate before the excess is transferred into the general fund;
- (2) Allow the funds in the EHEF to be used for sanitation program activities and functions; and

- (3) Change the name of the EHEF to the Sanitation and Environmental Health Special Fund.

The Department of Health and its Sanitation Branch offered comments.

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

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

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

SCRep. 602-10 Finance on H.B. No. 2801

The purpose of this bill is to appropriate emergency funding to the Hawaii Health Systems Corporation (HHSC) to ensure the availability of critical health care services provided by our public hospital system in the East Hawaii region. Specifically, this bill appropriates general funds for fiscal year 2009-2010 to:

- (1) Be deposited into the Health Systems Special Fund for expenditure by the HHSC East Hawaii Regional Health Care System to ensure the continuous delivery of critical health care services and for the payment of HHSC's operational costs; and
- (2) Establish the Big Island Rural Interdisciplinary Program in the East Hawaii region.

HHSC testified in support of this bill. Several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Replacing all of the emergency appropriation figures with unspecified amounts;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2801, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2801, H.D. 2.

Signed by all members of the Committee.

SCRep. 603-10 Finance on H.B. No. 2061

The purpose of this bill is to establish protections for the custody and visitation rights of a deployed military parent by instituting Family Court procedures to resolve these matters while recognizing the restrictions and limitations of military deployment.

The Department of Defense and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2061, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 604-10 Finance on H.B. No. 2157

The purpose of this bill is allow Type I Expanded Adult Residential Care Homes (Expanded ARCHs) to take in more nursing facility level residents without seeking the approval of the Department of Human Services by increasing the statutory cap on the number of these residents from two to three.

The Alliance of Residential Care Administrators testified in support of this bill. The Department of Health (DOH) and a concerned individual opposed this measure. The Healthcare Association of Hawaii provided comments.

Hawaii's aging population is growing at a fast pace and is only expected to increase in size due to longevity and the soon to be retiring Baby Boomer generation. This will create a greater need for beds in care facilities in the near future which this measure attempts to address.

However, your Committee does have some concerns as to the effects the expansion of the capacity of Expanded ARCHs from two to three skilled nursing level residents will have on the patient population. Specifically, your Committee is concerned with whether or not Expanded ARCHs can properly staff their facilities with adequate and qualified personnel to care for the additional skilled nursing level resident and whether DOH will have the ability to properly enforce rules regarding Expanded ARCHs with the increase in patient capacity. Nevertheless, this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2157, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 605-10 Finance on H.B. No. 744

The purpose of this bill is to expedite the recovery of missing senior citizens by establishing a statewide silver alert program in each county. This bill:

- (1) Establishes criteria that must be met before a silver alert is issued;
- (2) Identifies the contents of the alert; and
- (3) Requires the silver alert program, to the greatest extent possible, to be integrated with the Maile Amber Alert Program for missing children.

The Policy Advisory Board for Elder Affairs and Healthcare Association of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 744, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 744, H.D. 2.

Signed by all members of the Committee.

SCRep. 606-10 Finance on H.B. No. 2784

The purpose of this bill is to:

- (1) Increase the monetary limit of claims that may be filed in small claims court from \$3,500 to \$4,500; and
- (2) Allow either party in a case the option of electing between the procedures of the small claims division or the ordinary procedures of the district court.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2784, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 607-10 Finance on H.B. No. 1991

The purpose of this bill is to assist in addressing the fiscal crisis facing the state and help generate additional revenue by increasing the fee for a traffic abstract from \$7 to \$10 and the portion deposited into the general fund from \$5 to \$8.

The Judiciary testified in support of this bill. United Services Automobile Association, Hawaii Insurers Council, and State Farm Insurance Companies opposed this measure.

Your Committee has amended this bill by:

- (1) Amending the increased fee for a traffic abstract and the portion of the fee deposited into the general fund to unspecified amounts; and
- (2) Changing its effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1991, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1991, H.D. 2.

Signed by all members of the Committee.

SCRep. 608-10 Finance on H.B. No. 2508

The purpose of this bill is to make appropriations for claims against the State, its officers, or its employees.

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

Your Committee has amended this bill by:

- (1) Inserting language to address a new claim against the State which has been resolved via a settlement for \$25,000; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2508, H.D. 2.

Signed by all members of the Committee.

SCRep. 609-10 Finance on H.B. No. 1904

The purpose of this bill is to require an amount equivalent to the unfunded accrued liability contribution by the State for state employees to be set aside from general excise tax revenues and deposited into a separate account in the general fund.

The Department of Budget and Finance and Employees' Retirement System Board of Trustees provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 610-10 Finance on H.B. No. 1905

The purpose of this bill is to set aside from general excise tax revenues, an amount not to exceed \$63,000,000 to pay fringe benefit contributions not paid in fiscal year 2008-2009 and an amount not to exceed \$275,000,000 to pay tax refunds not paid in fiscal year 2010-2011.

The Department of Taxation, Department of Budget and Finance, Employees' Retirement System Board of Trustees, and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 611-10 Finance on H.B. No. 2163

The purpose of this bill is to require all state employees hired prior to July 1, 1998, who have not designated a financial account into which the State is authorized to deposit the employee's pay, to designate an account no later than a date to be determined.

The Department of Education testified in support of this bill.

Your Committee expresses concern that the bill does not contain any provisions for the failure of retirants to designate financial accounts and notify the Employees' Retirement System of the accounts.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2163 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 612-10 Finance on H.B. No. 2538

The purpose of this bill is to switch the payments of Employees' Retirement System (ERS) benefits from a semi-monthly basis by paper check through the mail, to a monthly basis by direct deposit, to save in postage, printing, and bank fees.

ERS testified in support of this bill. United Public Workers AFSCME, Local 646, AFL-CIO; and State of Hawaii Organization of Police Officers opposed this measure. The Hawaii Government Employees' Association provided comments.

Your Committee notes that ERS would be responsible for notifying retirants of the change in a timely and appropriate manner.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2538 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 613-10 Finance on H.B. No. 2964

The purpose of this bill is to alleviate some of the effects of the current fiscal crisis the State is facing by increasing the amount of the salary reductions for members of the Legislature, the Governor, the Lieutenant Governor, the justices and judges of all state courts, the Administrative Director of the State or an equivalent position, the department heads or executive officers and the deputies or assistants of various state departments for the second half of the 2009–2010 fiscal biennium.

The Department of Human Resources Development, The Judiciary, and National Center for State Courts provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 614-10 Finance on H.B. No. 2257

The purpose of this bill is to encourage workers who are receiving partial unemployment benefits and are exempt from work search requirements, to look for part-time work to supplement their benefits, by providing that these workers are not disqualified for partial unemployment benefits if they separate from their part-time employer, regardless of the reason for the separation.

The Hawaii Government Employees Association and ILWU Local 142 supported this bill. The Department of Labor and Industrial Relations opposed this bill.

Your Committee has amended this bill by adding definitions for "attached to a regular employer," "partial unemployment," and "registration for work" derived from Act 170, Session Laws of Hawaii 2009, which enacted the partial unemployment program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2257, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2257, H.D. 2.

Signed by all members of the Committee.

SCRep. 615-10 Finance on H.B. No. 2533

The purpose of this bill is to ensure fair and equitable conditions under which a state or county retiree may be reemployed by the State or a county by:

- (1) Establishing conditions for reemployment of a retirant in a position that is excluded from Employees' Retirement System (ERS) membership, such as certain temporary or part-time positions, by requiring a six-month "retirement" provision;
- (2) Requiring the retirant to reimburse ERS for any retirement allowance or other benefit received during the reemployment if in violation of ERS statutes, plus eight percent annual interest;
- (3) Requiring both the retirant and employer to pay the employee and employer contributions that should have been paid during the reemployment if in violation of ERS statutes, plus eight percent annual interest; and
- (4) Requiring both the retirant and employer to reimburse ERS for administrative expenses incurred in responding to the violation, to the extent the retirant and employer are determined to be at fault.

ERS testified in support of this bill. The Department of Education provided comments.

Your Committee notes that concerns were raised regarding the need for an appeals process for situations such as those in which an employee or employer is determined by the ERS administrator to be at fault, but there is disagreement in the finding.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2533, H.D. 1.

Signed by all members of the Committee except Representatives Har, and C. Lee.

SCRep. 616-10 Finance on H.B. No. 2637

The purpose of this bill is to ensure that injured workers have access to appropriate care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation with a board-certified or licensed specialist to obtain a subspecialty diagnostic evaluation and treatment recommendation, without being contested by an insurer or employer.

The ILWU Local 142, Hawaii Injured Workers Alliance, Hawaii Chapter-American Physical Therapy Association, and The Hawaii Coalition for Health testified in support of this bill. The Department of Labor and Industrial Relations and Hawaii Insurers Council testified in opposition to this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2637, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2637, H.D. 1.

Signed by all members of the Committee.

SCRep. 617-10 Finance on H.B. No. 2919

The purpose of this bill is to provide equality in benefits to people doing similar work by expanding the definition of "sewer worker" to include sewer maintenance working supervisors, wastewater collection system inspection supervisors, wastewater collection system district supervisors, and wastewater collection system field services supervisors.

The Department of Environmental Services and Department of Human Resources of the City and County of Honolulu; Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; and a concerned individual testified in support of this bill. The Employees' Retirement System Board of Trustees opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2919, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2919, H.D. 1.

Signed by all members of the Committee.

SCRep. 618-10 Finance on H.B. No. 2935

The purpose of this bill is to protect employees by making it an unlawful practice for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee legitimately uses accrued and available sick leave in accordance with the employer's attendant and negotiated sick leave policies, except for the abuse of sick leave. The bill provides exceptions to the prohibition if the employee is unable to fulfill the essential job functions or requirements of the employee's position.

The Hawaii State AFL-CIO; ILWU Local 142; International Brotherhood of Electrical Workers (IBEW); IBEW Local 1260; United Public Workers AFSCME, Local 646, AFL-CIO; Pride At Work Hawaii; and Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Department of Human Resources Development; Office of Collective Bargaining; National Federation of Independent Business; The Chamber of Commerce of Hawaii; Society for Human Resource Management-Hawaii Chapter; Hawaii Credit Union League; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company; and Hawaiian Telcom testified in opposition to this measure. The Department of Labor and Industrial Relations offered comments.

Your Committee has amended this bill by:

- (1) Limiting the provisions to employers who have:
 - (A) A collective bargaining agreement with their employees; and
 - (B) 100 or more employees;
 and
- (2) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2935, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2935, H.D. 3.

Signed by all members of the Committee.

SCRep. 619-10 Finance on H.B. No. 1818

The purpose of this bill is to support the successful transition from incarceration back to the community by directing the Department of Public Safety (DPS) to offer cognitive behavioral therapy with native Hawaiian holistic interventions in reentry/reintegration programs at Hawaii's correctional facilities.

The Office of Hawaiian Affairs; American Civil Liberties Union of Hawaii; The Drug Policy Forum of Hawaii; The Institute for Family Enrichment, LLC; Community Alliance on Prisons; Na Koa Ikaika; Ohana Ho'opakele; and several concerned individuals testified in support of this bill. DPS and the Department of the Attorney General testified in opposition to this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1818, H.D. 2.

Signed by all members of the Committee.

SCRep. 620-10 Finance on H.B. No. 2092

The purpose of this bill is to improve fire safety in Hawaii by providing the State Fire Council (SFC) with administrative staff to further accomplish the SFC's operations and responsibilities, and funding these positions through a new fund, the Reduced Ignition Propensity Cigarette Program Special Fund.

The SFC, Honolulu Fire Department, County of Hawaii Fire Department, and the County of Maui Department of Fire and Public Safety supported this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2092, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2092, H.D. 1.

Signed by all members of the Committee.

SCRep. 621-10 Finance on H.B. No. 2266

The purpose of this bill is to prevent the sexual abuse of prisoners by requiring the Department of Public Safety (DPS) to:

- (1) Seek grant funds, establish a zero-tolerance policy and counseling services, and take other actions to address this problem;
- (2) Report to the Legislature annually on sexual assaults within the prison, and criminal and civil cases concerning sexual assaults on persons in custody; and
- (3) Report to the 2011 Legislature on its efforts to implement the federal Prison Rape Elimination Act in state correctional facilities.

The American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. DPS opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2266, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2266, H.D. 1.

Signed by all members of the Committee.

SCRep. 622-10 Finance on H.B. No. 2657

The purpose of this bill is to work to curb the substance abuse problem facing the people of Hawaii by requiring the Department of Public Safety (DPS) to:

- (1) Plan for a model wellness center to be built on State lands, giving preference to the site formerly used as the Kulani Correctional Facility on the Island of Hawaii; and
- (2) Report its findings and recommendations to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, Ohana Ho'opakele, and several concerned individuals testified in support of this bill. DPS opposed this measure.

Although your Committee understands the benefits the establishment of a model wellness center may have for the people of Hawaii, your Committee also recognizes that DPS has entered into a memorandum of agreement with the Department of Defense which authorizes the use of the former Kulani Correctional Facility, including the buildings, infrastructure, and surrounding lands for a Youth Challenge Academy. While this issue remains a concern, this measure deserves further consideration.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2657, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2657, H.D. 1.

Signed by all members of the Committee.

SCRep. 623-10 Finance on H.B. No. 2692

The purpose of this bill is to safeguard the health, safety, and welfare of Leeward Coast residents, and eventually residents of other communities, by requiring the Director of Civil Defense to prepare a disaster preparedness plan for the 44th and 45th representative districts, which is to serve as a model for future plans for other communities in the state.

Numerous concerned individuals testified in support of this bill. The Department of Defense opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2692, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2692, H.D. 1.

Signed by all members of the Committee.

SCRep. 624-10 Finance on H.B. No. 2817

The purpose of this bill is to help support a continuing infusion of new art into the state by permitting the State Foundation on Culture and the Arts to dispose of works of art acquired by the State at public auction.

Several concerned individuals testified in support of this bill. The State Foundation on Culture and the Arts offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2817, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 625-10 Finance on H.B. No. 2445

The purpose of this bill is to enhance the ability of the Hawaii Tourism Authority (HTA) to promote tourism in Hawaii by, among other things:

- (1) Authorizing HTA to maintain confidentiality of sensitive business and other information;

- (2) Directing HTA to develop marketing program performance goals and targets that can be used as market gauges to evaluate HTA promotions;
- (3) Requiring HTA to submit a quarterly report of HTA contracts, instead of notice of any contract of \$25,000 or more;
- (4) Requiring that HTA include in its annual report of expenditures, data on expenditures pursuant to contracts within the state and out-of-state; and
- (5) Making permanent statutory provisions that exempt HTA accounts from the supervision of the State Comptroller and authorize the use of up to five percent of moneys in the Tourism Special Fund for administrative expenses.

HTA and the Hawaii Hotel & Lodging Association testified in support of this bill. The Office of Information Practices of the Lieutenant Governor and Governor's Tourism Liaison provided comments.

Your Committee has amended this bill by:

- (1) Stipulating that HTA must follow the procedures required for executive meetings under Hawaii's Sunshine Law (Chapter 92, Hawaii Revised Statutes); and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2445, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2445, H.D. 2.

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

SCRep. 626-10 Finance on H.B. No. 1859

The purpose of this bill is to help cover the costs of administering parking for persons with disabilities by increasing the annual vehicle registration fee by \$1, which will be deposited into the Disability and Communication Access Board Special Fund (Special Fund).

This bill also statutorily repeals the deposit of application fees for the credentialing of interpreters into the Special Fund, and the use of Special Fund moneys to cover the costs of administering the program for their credentialing.

The Disability and Communications Access Board and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1859, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Ward.

SCRep. 627-10 Finance on H.B. No. 2022

The purpose of this bill is to update Hawaii's laws by repealing obsolete provisions relating to annual motor vehicle registration.

The Department of Customer Services of the City and County of Honolulu testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2022 and recommends that it pass Third Reading.

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

SCRep. 628-10 Finance on H.B. No. 2603

The purpose of this bill is to require utility entities, in any contract involving state or county funds and supplemental funds from the utility, to timely provide their share of funds to ensure there are sufficient funds to cover the contract.

Kauai Island Utility Cooperative testified in support of this bill. The Maui County Department of Environmental Management, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and a member of the Maui County Council opposed this measure. The Department of Transportation, Kauai Department of Water Supply, Hawaiian Telcom, and The Gas Company provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2603, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 629-10 Finance on H.B. No. 2605

The purpose of this bill is to align sections 286-207 and 286-209, Hawaii Revised Statutes, with Federal Motor Carrier Safety Regulations to ensure continued federal funding from the Federal Motor Carrier Safety Administration to Department of Transportation's (DOT) Motor Vehicle Safety Office by requiring certain vehicles transporting hazardous materials to comply with the state motor carriers safety laws.

DOT testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2605 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 630-10 Finance on H.B. No. 2561

The purpose of this bill is to enable the timely and efficient sale and gift of state-owned lands by limiting legislative oversight on these transactions to ceded lands only.

The Department of Land and Natural Resources, Hawaii Housing Finance and Development Corporation, Department of the Attorney General, Department of Agriculture, Office of Hawaiian Affairs, and University of Hawaii System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2561 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 631-10 Finance on H.B. No. 2583

The purpose of this bill is to clarify that all costs and expenses associated with the disposal of an unauthorized vessel in a state small boat harbor or offshore mooring area, impounded by the Department of Land and Natural Resources (DLNR), are the owner's responsibility.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 632-10 Finance on H.B. No. 2689

The purpose of this bill is to expedite the conveyance of private agricultural irrigation systems to the Board of Agriculture (BOA) by:

- (1) Exempting the conveyance of these properties from county subdivision requirements under certain conditions;
- (2) Requiring the owner of an agricultural irrigation system being conveyed to provide BOA with a description of the property being acquired that is sufficient for recording or filing purposes with the appropriate county;
- (3) Requiring BOA to notify the appropriate county of the conveyance of the property; and
- (4) Requiring the Land Court, Bureau of Conveyances, and other agencies to accept these descriptions for filing and recording purposes.

Kamehameha Schools testified in support of this bill. The Department of Agriculture and City and County of Honolulu Department of Planning and Permitting opposed this measure. The Agribusiness Development Corporation and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2689, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 633-10 Finance on H.B. No. 2835

The purpose of this bill is to provide for the maintenance of privately owned roads and streams by requiring the Registrar of Conveyances to provide to an adjoining landowner, upon request management, control, and title information for any public road, alley, trail, street, way, or other public highway, and any waterway or water course.

Many concerned individuals testified in support of this bill. The Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2835 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

SCRep. 634-10 Finance on H.B. No. 1808

The purpose of this bill is to ensure public access to beaches by:

- (1) Requiring landowners in shoreline areas to ensure that public transit beach corridors are passable and free from human-induced, enhanced, or unmaintained vegetation that blocks transit;
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to require maintenance of public transit corridors by the adjacent landowner and to charge landowners for the cost of removal if the landowner fails to remove an obstruction;
- (3) Establishing as an indicator of the highest wash of the waves, as it relates to the definition of "shoreline", the edge of natural vegetation growth, but never lower than the upper limit of debris left by the wash of the waves;
- (4) Establishing shoreline access as a policy of the Coastal Zone Management Program; and
- (5) Imposing fines for noncompliance.

The Office of Hawaiian Affairs, Waialae-Kahala Neighborhood Board No. 3, Kuliouou/Kalani Iki Neighborhood Board #2, Kailua Neighborhood Board #31, Sierra Club-Hawaii Chapter, Conservation Council for Hawaii, Surfrider Foundation, and many concerned individuals testified in support of this bill. A concerned individual opposed this measure. DLNR, the Representative of the 19th District, and a concerned individual provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1808, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1808, H.D. 3.

Signed by all members of the Committee except Representative Ward.

SCRep. 635-10 Finance on H.B. No. 2171

The purpose of this bill is to enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property to determine real property tax assessments by requiring the Director of Taxation, within ten days after the end of each week and at no charge, to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the Bureau of Conveyances during the previous week.

The Real Property Assessment Division of the City and County of Honolulu, County of Maui Real Property Tax Division, and County of Hawaii Finance Department testified in support of this bill. The Department of Taxation opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2171, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2171, H.D. 1.

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 636-10 Finance on H.B. No. 2347

The purpose of this bill is to change the renewal process for permits to operate thrill crafts and parasailing businesses by:

- (1) Removing the 20-year limit on such permits;
- (2) Making the permits renewable annually, provided that the permit holders are in good standing; and
- (3) Directing the Department of Land and Natural Resources (DLNR) to offer a permit for public auction, if a permit is revoked for failure to meet the conditions for renewal.

The Ocean Tourism Coalition; X-Treme Parasail, Inc.; Diamond Head Parasail, Inc.; Diamond Head Parasail & Watersports, Inc.; Aloha Ocean Sports; and several concerned individuals testified in support of this bill. A concerned individual opposed this measure. DLNR provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2347, H.D. 2.

Signed by all members of the Committee except Representatives Choy, C. Lee, Sagum and Ward.

SCRep. 637-10 Finance on H.B. No. 2449

The purpose of this bill is to facilitate prompt payment for services provided to the Boards of Water Supply (Boards) by authorizing:

- (1) County officials other than the County Auditor to issue warrants to disburse funds on behalf of the Boards; and
- (2) The Boards to delegate the disbursement of funds to the Manager and Chief Engineer.

The Kauai Board of Water Supply testified in support of this bill.

Your Committee has amended this bill by requiring the Boards to adopt the rules in accordance with administrative procedures under Chapter 91, Hawaii Revised Statutes.

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

Signed by all members of the Committee except Representative Nishimoto.

SCRep. 638-10 Finance on H.B. No. 2833

The purpose of this bill is to allow the Board of Natural Land and Resources to extend the lease of public lands for hotel or resort use to a developer who agrees to make substantial improvements to the premises.

Hawaii Tourism Authority testified in support of this bill. The Department of Land and Natural Resources opposed this measure.

Your Committee has amended this bill by:

- (1) Blanking out the number of years the lease may be extended;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

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

Signed by all members of the Committee except Representative Ward.

SCRep. 639-10 Finance on H.B. No. 2923

The purpose of this bill is to maximize the economic viability of businesses that lease Hawaiian Home Lands for commercial, industrial, business, and multipurpose projects by authorizing Department of Hawaiian Home Lands (DHHL) to extend the leases for 34 years upon a development agreement to improve the leased land.

The Hawaiian Homes Commission and DHHL testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2923, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2923, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 640-10 Finance on H.B. No. 1921

The purpose of this bill is to capture taxes on certain conveyances of real property that currently escape the conveyance tax. Specifically, this bill will establish a tax on transfers of real property that occur within the transfer of a controlling interest in a legal entity that owns the real property.

The Chamber of Commerce of Hawaii opposed this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1921, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1921, H.D. 2.

Signed by all members of the Committee.

SCRep. 641-10 Finance on H.B. No. 1926

The purpose of this bill is to ensure that the Department of Business, Economic Development, and Tourism (DBEDT) has adequate funding to continue to provide services and programs promoting economic development by:

- (1) Establishing a special fund for the operation of DBEDT;
- (2) Imposing a surcharge on certain business- and commerce-related fees that will be paid by businesses benefiting from the activities of DBEDT which is to be paid into the special fund; and
- (3) Requiring the surcharge revenues and \$2,000,000 of the moneys in the Compliance Resolution Fund to be deposited into the special fund each year.

The provisions of this bill would be in effect from July 1, 2010, through June 30, 2015.

The Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Ltd., testified in opposition to this bill. The Department of Budget and Finance, The Chamber of Commerce of Hawaii, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1926, H.D. 2.

Signed by all members of the Committee.

SCRep. 642-10 Finance on H.B. No. 2283

The purpose of this bill is to ensure fair and ethical use of government funds by requiring both state and county purchasers and private entities offering goods and services for sale to government purchasers to follow ethical principles in matters relating to procurement.

The Department of Accounting and General Services and State Procurement Office provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2283, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2283, H.D. 2.

Signed by all members of the Committee.

SCRep. 643-10 Finance on H.B. No. 2698

The purpose of this bill is to position Hawaii for global competitiveness in the 21st century by establishing the Hawaii Broadband Commission (Commission) and the Hawaii Broadband Commissioner to increase access to broadband communications for all households, businesses, and organizations throughout the state.

The High Technology Development Corporation testified in support of this bill. AT&T opposed this measure. The Department of Commerce and Consumer Affairs (DCCA), Oceanic Time Warner Cable, and tw telecom offered comments.

Your Committee has amended this bill by:

- (1) Administratively attaching the Commission to the Department of Accounting and General Services, rather than DCCA; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2698, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2698, H.D. 2.

Signed by all members of the Committee.

SCRep. 644-10 Finance on H.B. No. 2945

The purpose of this bill is to increase the availability of venture and seed investment capital in a manner that will result in a significant potential to diversify and stabilize the state's economy by, among other things:

- (1) Establishing the State Private Investment Fund Program (Investment Fund) and a managing board;
- (2) Authorizing insurance company tax credits to be used as a fund guarantee;
- (3) Requiring that investments be made in successful venture capital firms that have experienced managers and an ability to mentor entrepreneurs;
- (4) Setting a target of 30 percent of investments to be in Hawaii-based businesses; and
- (5) Directing that returns exceeding fund expenses, debts, and investor equity interests be deposited into the general fund.

The Department of Taxation, Employees' Retirement System Board of Trustees, and Hawaii Strategic Development Corporation (HSDC) offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the Investment Fund be administered by HSDC;
- (2) Stipulating that the Investment Fund be organized as a limited partnership or limited liability company with HSDC as the general partner or manager;
- (3) Clarifying that the Investment Fund simply be governed by the board of directors of the Investment Fund and not organized and governed;
- (4) Clarifying that it is the Investment Fund that will actually invest the moneys raised by HSDC in seed and venture capital investments;
- (5) Reinserting statutory references to chapter 211F, Hawaii Revised Statutes, (relating to HSDC) with regard to the mission of HSDC and the Investment Fund to diversify and stabilize the state's economy by mobilizing equity capital;
- (6) Stipulating that while the implementation of the state private investment fund program is the responsibility of HSDC, the Investment Fund board shall be responsible for the development of an annual business plan that shall be submitted to HSDC for its approval;
- (7) Clarifying that any returns in excess of operating costs and moneys payable to investors shall be deposited in the redemption reserve and held by the Investment Fund as a first priority reserve for the redemption of tax credits issued to HSDC;
- (8) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2945, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2945, H.D. 2.

Signed by all members of the Committee.

SCRep. 645-10 Finance on H.B. No. 2377

The purpose of this bill is to improve the accountability of Hawaii's public education system by requiring the members of the Board of Education (BOE) to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor from lists of qualified candidates presented to the Governor by the Board of Education Selection Advisory Council (Council).

The Hawaii Association of Independent Schools, Hawaii Business Roundtable, and Hawaii's Children First testified in support of this bill. BOE and the Hawaii State Teachers Association opposed this measure. The Governor's Administration; and Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO offered comments.

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

- (1) Changing the composition of BOE as follows:
 - (A) Reducing the number of voting members to seven;
 - (B) Requiring six of the voting members to represent and reside in specific geographic areas of the state;
 - (C) Requiring the remaining voting member to be designated by the Governor to serve as BOE chairperson, rather than requiring BOE to elect its own chairperson; and
 - (D) Requiring the nonvoting student member to be subject to the same appointment and reappointment procedures as the voting members of BOE, rather than be selected by the Hawaii State Student Council;
- (2) Specifying the terms of the voting members initially appointed to each BOE seat as follows:
 - (A) Two members shall serve two-year terms;
 - (B) Two members shall serve three-year terms; and
 - (C) Three members, including the BOE chairperson, shall serve four-year terms;
- (3) Clarifying that voting members who are initially appointed to terms of three years or less, rather than two years or less, may be reappointed to two ensuing, consecutive four-year terms;
- (4) Clarifying that the student member may be reappointed for one additional, consecutive term;
- (5) Clarifying that BOE shall select its vice chairperson from among its voting members, who shall serve as interim chairperson in the event the chairperson's seat becomes vacant, and until the Governor selects the nominee who shall serve as the interim chairperson, and deleting the specific term requirements for the vice chairperson;
- (6) Deleting the requirement that BOE appoint a secretary;
- (7) Changing the quorum requirements for BOE as follows:
 - (A) Specifying that a quorum to conduct business consists of a majority of all the voting members to which BOE is entitled;
 - (B) Requiring a majority of the members present and voting to make any BOE action valid; and
 - (C) Specifying that whenever BOE has fewer than six voting members, whether appointed or serving a term that has been extended until the interim members of BOE have been appointed, three voting members shall constitute a quorum to do business and to make any BOE action valid;
- (8) Requiring the Council to present candidates to the Governor for each vacant BOE seat within 30 days of convening its first meeting to initially appoint BOE members;
- (9) Specifying that when there are more than three vacant BOE seats, the appropriate minimum number of candidates that must be presented to the Governor as determined by the Council shall be no fewer than two;
- (10) Disallowing Council members from qualifying as candidates for vacant BOE seats;
- (11) Specifying that the nominee selected by the Governor for each BOE seat to be filled, from the list of candidates submitted by the Council, shall serve as an interim BOE member until the appointed member has been appointed and confirmed by the Senate;
- (12) Requiring interim BOE members to be appointed only on or after December 6, 2010;
- (13) Repealing the statutory provisions regarding BOE community meetings;
- (14) Clarifying that the terms of the elected BOE members serving on the effective date of the Act shall be extended until the interim BOE members have been appointed, then be terminated;

- (15) Changing the effective date to July 1, 2020; and
- (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2377, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2377, H.D. 3.

Signed by all members of the Committee.

SCRep. 646-10 Finance on H.B. No. 2855

The purpose of this bill is to work toward reducing the unfunded actuarial accrued liability (unfunded liability) of the Employees' Retirement System (ERS) by requiring the ERS Board of Trustees to study and recommend a plan, including proposed legislation, to fully amortize the unfunded liability over a 30-year period.

Employees' Retirement System and the Department of Human Resources of the City and County of Honolulu provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2855, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2855, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

SCRep. 647-10 Finance on H.B. No. 2902

The purpose of this bill is to enhance the efficient provision of public access programming which provides a valuable community service by:

- (1) Directing the Auditor to review the basis and rationale of the Department of Commerce and Consumer Affairs' (DCCA) current allocation of cable operator franchise fees to public, education, and government access organizations, the Hawaii Public Television Foundation, and DCCA's Cable Television Division;
- (2) Directing DCCA to contract for a financial review or audit of Olelo Community Television; and
- (3) Appropriating unspecified funds from DCCA's Compliance Resolution Fund for the financial review or audit.

DCCA, Olelo Community Media, Akaku Maui Community TV, and Molokai Akaku Media Center commented on this measure.

Your Committee has amended this bill by:

- (1) Directing DCCA to contract for a performance review or audit of Olelo Community Television rather than a financial review or audit and reflecting this change in the requirements of the review or audit;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2902, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2902, H.D. 3.

Signed by all members of the Committee except Representatives Choy, C. Lee and Sagum.

SCRep. 648-10 Finance on H.B. No. 2301

The purpose of this bill is to increase efficiency in the maintenance of highways in Hawaii by establishing a pilot project that provides for the transfer of all state highway maintenance functions, including the necessary staff and funding, on the islands of Maui, Molokai, and Lanai now being carried out by the State Department of Transportation (DOT) to the Maui County Department of Public Works.

A member of the Maui County Council opposed this bill. The Department of Transportation, Department of the Attorney General, and County of Maui Department of Personnel Services provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2301, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2301, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 649-10 Finance on H.B. No. 2370

The purpose of this bill is to continue to assist in the renovation and development of car rental customer facilities at Hawaii's airports by, among other things:

- (1) Providing the Department of Transportation (DOT) with sole discretion and greater flexibility in determining the rental motor vehicle customer facility charge;
- (2) Increasing the initial rental motor vehicle customer facility charge from \$1 per day to \$4.50 per day beginning on September 1, 2010;
- (3) Stipulating that the minimum total collections for the charges of \$4.50 per day shall not be lowered by the department for a minimum period of at least 20 years commencing on September 1, 2010, or until such time as necessary to pay any bonds or financial agreements issued or entered into to support or assist in meeting the use or purpose of the Rental Motor Vehicle Customer Facility Charge Special Fund (Special Fund), whichever occurs later;
- (4) Stipulating that any unexpended or unencumbered balance of any appropriation of Act 226, Session Laws of Hawaii 2008, as of the close of business on June 30, 2011, will lapse into the Special Fund;
- (5) Clarifying that the rental motor vehicle customer facility charge must be used to pay for, or finance on a long-term or other term basis where appropriate, the design, planning, construction, and other uses of the rental motor vehicle customer facility charges;
- (6) Clarifying that DOT may negotiate and contract the management, maintenance, and operations of the facility and related services with one or more airport concessions or their designee that share in the use of a rental motor vehicle customer facility at a state airport;
- (7) Allowing money to continue to be collected as necessary to meet the needs and purposes of the Special Fund;
- (8) Appropriating \$320,000,000 out of the Special Fund for fiscal year 2010-2011 for various airport rental car facility projects; and
- (9) Including the purchase, or reimbursement for the purchase, of land near the Lihue Airport for planning, design, and construction of a consolidated rental motor vehicle facility as one of the specified projects.

The Hertz Corporation, Alamo Rent A Car, Enterprise Rent A Car, National Car Rental, Avis Rent A Car, Budget Rent A Car Hawaii, and Dollar Thrifty Automotive Group testified in support of this bill. DOT, Catrala-Hawaii, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Replacing the \$320,000,000 appropriation of funds out of the Special Fund for multiple purposes to an unspecified amount;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2370, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2370, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 650-10 Finance on H.B. No. 2604

The purpose of this bill is to improve the integrity and security of State-issued driver licenses and identification cards by aligning State law with the requirements of the REAL ID Act. Specifically, this bill extends the maximum term of a commercial driver's license (CDL) from six years to eight years for persons 21 years through 71 years of age.

This bill also appropriates \$8,000 out of the State Highway Fund to implement the extension.

The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation of \$8,000 out of the State Highway Fund for the implementation of the extension of CDLs to an unspecified amount;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2604, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 651-10 Finance on H.B. No. 2667

The purpose of this bill is to reduce the state's reliance on a few interisland air and slow water carriers, and encourage the consideration of an alternative form of transportation by requiring the Department of Transportation (DOT) to:

- (1) Conduct a study to determine the feasibility of establishing a statewide ferry system and State ferry system authority to oversee and regulate such a ferry system; and
- (2) Report its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2011.

The Hawaii Laborers' Union testified in support of this bill. Kahului Harbor Coalition, Malama Kauai, Aloha Analytics, and several concerned individuals opposed this measure. DOT; Young Brothers, Limited; Maui Tomorrow; and a concerned individual provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2667, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2667, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 652-10 Finance on H.B. No. 2708

The purpose of this bill is to improve Hawaii's transportation planning process by requiring the Department of Transportation (DOT) to develop and implement a documented public involvement process when carrying out the statewide transportation plan.

The State Council on Developmental Disabilities testified in support of this bill. The DOT provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2708, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2708, H.D. 1.

Signed by all members of the Committee.

SCRep. 653-10 Finance on H.B. No. 2582

The purpose of this bill is to increase boating revenues to help improve and modernize boating operations and facilities by:

- (1) Authorizing limited moorage for commercial vessels at Ala Wai and Keehi Small Boat Harbors; and
- (2) Adjusting fees for permittees of vessels, including those that are used as a place of principal habitation in state small boat harbors.

The Department of Land and Natural Resources and several concerned individuals testified in support of this bill. Many concerned individuals opposed this measure. The Hawaii Yacht Club and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2582 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Choy, C. Lee and Sagum.
(Representative Brower voted no.)

SCRep. 654-10 Finance on H.B. No. 2775

The purpose of this bill is to provide for the timely processing of permits and other approvals to import or possess plants, animals, or microorganisms, by establishing processing fees that will be deposited into the Pest Inspection, Quarantine, and Eradication Fund and used for processing, training, and other Department of Agriculture regulation and importation activities.

The Hawaii Crop Improvement Association testified in support of this bill. The Department of Agriculture and High Technology Development Corporation provided comments.

Your Committee has amended this bill by:

- (1) Changing all of the fee amounts to unspecified dollar amounts;
- (2) Establishing an expedited permit application fee for processing permits and other approvals within 30 days;
- (3) Providing that expedited permit processing is not available when the administrative rules must be amended to allow importation or possession of a plant, animal, or microorganism;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2775, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2775, H.D. 2.

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

SCRep. 655-10 Finance on H.B. No. 2706

The purpose of this bill is to provide incentives for high net-worth individuals worldwide to transfer a portion of their liquid net worth into Hawaii for asset and trust management by enacting the Permitted Transfers in Trust Act, which would make Hawaii a strong competitor in the trust marketplace by among other things, allowing trusts to last forever, and permitting an individual to protect a portion of their wealth by becoming a beneficiary under a trust.

First Hawaiian Bank and a concerned individual supported this bill. The Trust Division of Bank of Hawaii provided comments.

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

- (1) Adding a definition of "cash" to mean United States currency;
- (2) Adding a definition of "marketable securities" to mean securities exchanged on a governmentally regulated exchange within the United States including common stocks, bonds, mutual funds, or exchange traded funds that are permitted to be held by a fiduciary under Hawaii law but excluding real estate or any interests in corporations, partnerships, and limited liability companies that are not publicly traded;
- (3) Amending the definition of "permitted trustee" to mean a person other than the transferor, who is a resident of Hawaii, or a bank or trust company authorized to do business in Hawaii and act as a trustee;
- (4) Amending the definition of "permitted property" to mean cash, marketable securities, life insurance contracts, and non-private annuities;
- (5) Replacing the term "perfected," which has a certain meaning under the Uniform Commercial Code, which is not applicable to this bill, with the term "completed";
- (6) Allowing the trustee to terminate the trust if the market value has declined to the extent it would be uneconomical, imprudent, or unwise to continue to retain the trust;
- (7) Allowing the transferor to direct that a determination is to be made by the advisor in the case of a dispute, deadlock, or difference of opinion between a permitted trustee and an advisor;
- (8) Providing that a permitted trustee shall be authorized to invest only in permitted property, as defined in this chapter, instead of in accordance with chapter 554C;
- (9) Providing that limits on actions by creditors to avoid permitted transfers shall not apply to a lender who extends a secured or collateralized loan to the transferor on the representation that the trust amounts would be security for the transferor's default on the loan;
- (10) Blanking out the tax on permitted transfers;

- (11) Removing the provision that the State will not levy any other taxes against trusts under the chapter;
- (12) Providing that a nongrantor trust is subject to Hawaii income tax unless there is no Hawaii beneficiary;
- (13) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (14) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2706, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2706, H.D. 1.

Signed by all members of the Committee except Representative Sagum.

SCRep. 656-10 Finance on H.B. No. 2639

The purpose of this bill is to ensure better regulation of mixed martial arts (MMA) contests and protect the health and safety of contestants in MMA contests by, among other things:

- (1) Regulating amateur MMA by placing it under the regulation for MMA enforced by the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allowing DCCA to delegate the supervision of amateur MMA to a recognized amateur MMA association;
- (3) Requiring individuals to be at least 18 years of age to participate as an amateur MMA contestant or to apply for a license as a professional MMA contestant;
- (4) Requiring all amateur MMA contestants to pass a physical examination conducted by a licensed physician prior to engaging in an MMA contest;
- (5) Removing the current statutory requirement that a promoter of an MMA contest be solely responsible for the expense of providing a medical report of each contestant to the Director of DCCA prior to the contest;
- (6) Removing the current statutory requirement that an MMA contest be under the control of a licensed referee with at least one year of experience in refereeing an MMA match;
- (7) Repealing or changing the schedule of event fees that are charged to an MMA promoter; and
- (8) Repealing additional surcharge fees charged for the license renewal of MMA promoters.

A concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs commented on this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2639, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2639, H.D. 2.

Signed by all members of the Committee except Representatives Choy, C. Lee and Sagum.

SCRep. 657-10 Finance on H.B. No. 2306

The purpose of this bill is to provide the Board of Education (BOE) with more flexibility to establish the salaries of the Superintendent of Education and the State Librarian by adjusting the caps of their salaries to no more than 150 percent of the salary of the highest paid principal and librarian, respectively, beginning with the 2011–2012 school year.

BOE and the Hawaii State Public Library System provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2306, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2306, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 658-10 Finance on H.B. No. 2054

The purpose of this bill is to give the University of Hawaii (UH) the following forms of fiscal autonomy from the Comptroller beyond June 30, 2011, by:

- (1) Denying the Comptroller the authorization to have complete supervision over all of UH's accounts;
- (2) Allowing UH to install an accounting system designed for colleges and universities, instead of the system used by other state agencies;
- (3) Allowing UH to develop new and change existing business and accounting forms, without the prior approval of the Comptroller, except forms of statewide use in the State's accounting system; and
- (4) Allowing UH's chief financial officer, instead of the Comptroller, to approve the assignment of debt by UH's creditors.

This bill also, on a permanent basis, gives the Comptroller access to certain UH fiscal matters by:

- (1) Authorizing the Comptroller to require UH to provide information necessary for the Comptroller to prepare required financial statements; and
- (2) Requiring UH to report to the Comptroller at least 15 days after each quarter, all transactions relating to moneys held outside of the state treasury.

The University of Hawaii System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2054 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 659-10 Finance on H.B. No. 2670

The purpose of this bill is to strengthen the ability of the University of Hawaii (UH) to raise private funds to provide the State's public higher education system by increasing to \$5,000,000 the cap on the amount of expenditures that the University of Hawaii Board of Regents can authorize from the UH Tuition and Fees Special Fund for the purposes of promoting alumni relations and generating private donations.

The UH Foundation, UH Alumni Association, and a concerned individual testified in support of this bill. The Department of Budget and Finance and the UH provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2670, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 660-10 Finance on H.B. No. 2318

The purpose of this bill is to help chronically homeless individuals by:

- (1) Establishing a Housing First pilot program administered by the Hawaii Public Housing Authority (HPHA) in collaboration with the Department of Human Services (DHS);
- (2) Establishing the Parks for Homeless Special Fund into which shall be deposited the designated portion of the conveyance tax and matching funds from the counties;
- (3) Increasing the conveyance tax by fifteen percent on properties valued at \$1,200,000 and above, a portion of which is to be deposited into the Parks for Homeless Special Fund; and
- (4) Appropriating funds from the Parks for Homeless Special Fund to implement the costs of the pilot program.

Several concerned individuals testified in support of this bill. The Department of Taxation; Department of Parks and Recreation of the City and County of Honolulu; Finance Department of the County of Hawaii; County of Maui; Alexander & Baldwin, Inc.; Hawaii Association of REALTORS; and Land Use Research Foundation of Hawaii opposed this measure. DHS, Department of Budget and Finance, Department of Accounting and General Services, Department of Community Services and Department of Budget and Fiscal Services of the City and County of Honolulu, Tax Foundation of Hawaii, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Renaming the Parks for Homeless Special Fund to the Housing First Special Fund;

- (2) Specifying that the Housing First Special Fund will be administered by HPHA;
- (3) Deleting the specific percentage increase in the conveyance tax on properties valued at \$1,200,000 and above;
- (4) Deleting the specific percentage of the conveyance tax to be deposited into the Housing First Special Fund;
- (5) Making the counties' matching-funds contribution to the Housing First Special Fund permissive, rather than mandatory;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2318, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2318, H.D. 2.

Signed by all members of the Committee except Representatives Choy, C. Lee and Sagum.

SCRep. 661-10 Finance on H.B. No. 2250

The purpose of this bill is to enact the Uniform Child Abduction Prevention Act, which was designed to determine the risk of a child being abducted by a parent, and establishes measures to prevent abductions before and after child custody determinations. Under this Act, courts are authorized to issue an abduction prevention order to, among other things, limit travel, or restrict visitation, and issue a warrant to take physical custody of the child.

The Commission to Promote Uniform Legislation testified in support of this bill. The Hawaii Family Forum and the Hawaii Catholic Conference provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2250, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 662-10 Finance on H.B. No. 2091

The purpose of this bill is to address problems related to Medicaid processing times by:

- (1) Requiring the Department of Human Services (DHS) to provide presumptive eligibility coverage to individuals waitlisted for Medicaid, upon meeting certain conditions;
- (2) Requiring DHS to submit a report to the Legislature every year beginning with the 2011 Regular Session and ending with the 2015 Regular Session, of its findings and recommendations regarding costs and other issues related to Medicaid presumptive eligibility;
- (3) Requiring DHS to conduct a study of a computerized system for processing Medicaid applications and submit a report to the Legislature prior to the 2011 Regular Session, of its findings and recommendations for an alternative system for processing Medicaid applications; and
- (4) Appropriating \$200,000 for reimbursements to providers or plans for services provided for individuals who are granted presumptive eligibility but are later determined to be ineligible.

The Healthcare Association of Hawaii, Hawaii Disability Rights Center, The Queen's Medical Center, and Kaiser Permanente testified in support of this bill. DHS opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2091, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2091, H.D. 1.

Signed by all members of the Committee.

SCRep. 663-10 Finance on H.B. No. 2774

The purpose of this bill is to require the Department of Human Services (DHS) to terminate the QUEST program and replace it with its predecessor public-assistance programs, provided that those programs have similar benefits as QUEST.

DHS opposed this bill. The Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by deleting its contents and replacing them with provisions that require, among other things:

- (1) Managed-care organizations contracting with DHS to provide QUEST services to charge recipients a co-payment from \$5 to \$20 for office visits, prescription drugs, emergency-room visits, and outpatient services;
- (2) DHS to review the managed-care organizations' co-payment schedules prior to their implementation;
- (3) DHS to mandate formularies for use by managed-care organizations in determining QUEST prescription-drug coverage;
- (4) DHS to apply the provisions regarding medical necessity as used in the state's Patient's Bill of Rights and Responsibilities with respect to health care coverage provided by managed-care organizations; and
- (5) DHS to report annually to the Legislature on the aggregate number of QUEST beneficiaries receiving coverage under both QUEST and a private health care plan.

This bill was further amended by changing the effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2774, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 664-10 Finance on H.B. No. 2248

The purpose of this bill is to improve interstate adult guardianship and protective proceedings by, among other things, establishing uniform rules regarding court communication, jurisdiction, and transfers of guardianship or conservatorship.

The Commission to Promote Uniform Legislation; Alzheimer's Association; and Alzheimer's Association, Aloha Chapter supported this bill. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 665-10 Finance on H.B. No. 1205

The purpose of this bill is to assist the counties in obtaining funding for infrastructure and other improvements by proposing amendments to the Hawaii Constitution to expressly provide that the Legislature may authorize the counties to issue tax increment bonds which can be used to finance projects and improvements within a designated tax increment district.

The Department of Budget and Fiscal Services of the City and County of Honolulu and Pacific Resource Partnership testified in support of this bill. The Department of the Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "tax increment bonds" so as to prevent the possibility of the tax increment bond being construed as a de facto general obligation bond of the county;
- (2) Providing for the establishment of an as yet unspecified maximum term for the tax increment bond;
- (3) Clarifying language regarding the conditions under which tax increment bonds are excluded from the determination of the debt limit on the power of the State to issue general obligation bonds or the funded debt of any political subdivision;
- (4) Replacing references to "county" with "political subdivision" to retain consistency with the terminology currently used in Article VII of the Hawaii Constitution;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1205, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1205, H.D. 1.

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

SCRep. 666-10 Finance on H.B. No. 2003

The purpose of this bill is to improve the campaign system and process by updating, organizing, and clarifying current campaign finance laws.

The Campaign Spending Commission (Commission) testified in support of this bill. The League of Women Voters of Hawaii; Americans for Democratic Action - Hawaii Chapter; and Common Cause Hawaii offered comments.

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

- (1) Inserting provisions regarding ballot issue committees as follows:
 - (A) Restricting a ballot issue committee to receiving contributions or making expenditures for or against any issue appearing on the ballot at the next applicable election;
 - (B) Prohibiting a ballot issue committee from receiving contributions or making expenditures to influence the nomination or election of a candidate to office;
 - (C) Requiring a ballot issue committee to return all surplus funds to the contributors or donate funds to certain types of organizations, and requiring funds that are not returned or donated within 90 days after the election to escheat to the Hawaii Election Campaign Fund;
- (2) Prohibiting any person who enters into a contract with the State or any county in excess of \$50,000, if the contract is paid using funds appropriated by the Legislature, to, at any time between the execution of the contract through the completion of the contract:
 - (A) Contribute or promise to contribute to any political party, committee, or candidate, or to any person for any political purpose or use; or
 - (B) Solicit any contribution from any person for any purpose, during any period;

and clarifying that the prohibition does not prohibit the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by banks, corporations, or labor organizations to influence the nomination for election or the election of any person to office;
- (3) Clarifying that the prohibitions against contributions to certain candidates and candidate committees also apply to contributions made by noncandidate committees;
- (4) Requiring a company to make all contributions and expenditures greater than \$1,000 in the aggregate in a two-year election period solely through the company's noncandidate committee, which must be registered with the Commission;
- (5) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2003, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 667-10 Finance on H.B. No. 1287

The purpose of this bill as received by your Committee is to reduce the number of civil service exempt employees in public service in accordance with Act 253, Session Laws of Hawaii (SLH) 2000, and Act 300, SLH 2006 by:

- (1) Updating certain sections of the Hawaii Revised Statutes to require that employment be subject to the Civil Service Law; and
- (2) Providing that certain civil service exempt positions will be automatically converted to civil service positions after three years.

For purposes of a public hearing, your Committee circulated a proposed House Draft (H.D. 2) that:

- (1) Extends the enabling law for the Voluntary Employees' Beneficiary Association Trust (VEBA) for six months in order to provide for a smoother transition to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF);
- (2) Appropriates funds for five temporary positions to assist in the transition from the VEBA to the EUTF; and

- (3) Appropriates funds for five permanent positions to perform other EUTF duties.

The Department of Budget and Finance and several concerned individuals supported this bill. Many concerned individuals opposed this measure. The State Auditor, the Hawaii State Teachers Association and several concerned individuals provided comments.

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

- (1) Adopting the changes presented in the proposed H.D. 2;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1287, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1287, H.D. 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 668-10 Finance on H.B. No. 2429

The purpose of this bill is to provide the tools to address budget shortfalls, reduce the need for layoffs, and facilitate the restructuring of government by:

- (1) Authorizing the executive branch to offer a voluntary severance or a special retirement incentive benefit to state employees who elect to voluntarily separate from service when their positions are identified for abolishment or when they are directly affected by a reduction-in-force or workforce restructuring plan; and
- (2) Extending to the counties, the Department of Education, the Judiciary, the Hawaii Health Systems Corporation, the Office of Hawaiian Affairs, and the legislative branches of the state and county governments the option to provide a special retirement incentive benefit to their respective employees under a reduction-in-force or a workforce restructuring plan.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, United Public Workers, AFSCME Local 646, AFL-CIO, and a concerned individual testified in support of this bill. The Employees' Retirement System and Department of Budget and Finance opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Deleting specific criteria relating to years of credited service as well as ages of employees needed to qualify for the special retirement incentive benefit;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2429, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2429, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.
(Representative Finnegan voted no.)

SCRep. 669-10 Finance on H.B. No. 2937

The purpose of this bill is to amend the collective bargaining process by:

- (1) Allowing parties to resolve impasses or disputes relating to the amounts the State and counties shall contribute to the Employer-Union Health Benefits Trust Fund by allowing parties to submit recommendations to the arbitration panel; and
- (2) Specifying that the arbitration panel has authority to render a final and binding decision with respect to these contributions, thereby removing the Legislature from this role.

The Office of Collective Bargaining, Department of Budget and Finance, and University of Hawaii Professional Assembly testified in opposition to this bill. The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO and United Public Workers, AFSCME, Local 646, AFL-CIO offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2937, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2937, H.D. 2.

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

SCRep. 670-10 Finance on H.B. No. 2783

The purpose of this bill is to support Hawaii's visitor and real estate industries by:

- (1) Making permanent the general excise tax (GET) exemptions for nonprofit homeowners or community associations and hotel and timeshare operators and suboperators; and
- (2) Specifying that the \$400,000 aggregate cap on these exemptions is based on the taxable amount due and not the gross receipts, and applies only to amounts due prior to January 1, 2008.

The American Resort Development Association-Hawaii, Starwood Vacation Ownership, Wyndham Worldwide, Outrigger Hotels, and Marriott Vacation Club International testified in support of this bill. The Tax Foundation of Hawaii and Hawaii Association of REALTORS offered comments.

Your Committee has amended this bill by:

- (1) Capping the aggregate GET exemption on amounts received by operators from a time share association and suboperators from hotel owners, time share associations, and operators, at \$400,000 per calendar year beginning January 1, 2010;
- (2) Making the GET exemption on the amounts received as reimbursement of the sums paid for common expenses by condominium and homeowners or community association submanagers (submanagers), retroactive to July 1, 2006;
- (3) Repealing the provisions that made the GET cap of \$400,000 for operators, suboperators, and submanagers applicable to taxable years ending on or between January 1, 2010, and January 1, 2011;
- (4) Deleting language that specified that the \$400,000 aggregate cap on certain GET exemptions is based on the taxable amount due and not the gross receipts, and applies only to amounts due prior to January 1, 2008;
- (5) Providing a sunset date of June 30, 2015; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2783, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2783, H.D. 2.

Signed by all members of the Committee.

SCRep. 671-10 Finance on H.B. No. 2845

The purpose of this bill is to support the Hawaii Housing Finance and Development Corporation's (HHFDC) mission to provide workforce and affordable housing, by exempting the fee-simple resale of individual dwellings repurchased or foreclosed on by HHFDC, from the legislative approval requirements on transfers of public lands.

HHFDC testified in support of this bill. The Office of Hawaiian Affairs opposed this measure.

Your Committee finds that the units subject to this bill are on public lands that are non-ceded lands. Although HHFDC has jurisdiction over ceded lands, including:

- (1) Leialii on Maui;
- (2) Waianae Community Development Project (Uluwehi) on Oahu;
- (3) Waimanalo Village on Oahu;
- (4) Hale Aupuni on Oahu;
- (5) Kuliouou Valley House Lots on Oahu;
- (6) Kaluaaha on Molokai; and
- (7) Palolo Solar on Oahu,

your Committee finds that these ceded lands are specifically excluded from this bill.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the exemption from the legislative approval requirements on transfers of public lands applies to the fee-simple resale of individual dwellings on public lands that are non-ceded lands, that are repurchased or foreclosed on by HHFDC;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2845, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2845, H.D. 1.

Signed by all members of the Committee except Representative Ward.

SCRep. 672-10 Finance on H.B. No. 2752

The purpose of this bill is to promote safety on Hawaii's roadways by enacting the recommendations of the Ignition Interlock Implementation Task Force (Task Force) established under Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Prohibits an individual who has been restricted to operating a vehicle with an ignition interlock device to knowingly circumvent or tamper with the device to operate the vehicle and provides for penalties for such a violation;
- (2) Prohibits individuals from knowingly assisting or abetting the circumvention or tampering of an ignition interlock device and provides penalties for such actions;
- (3) Provides for a definition of "valid license" and repeals the definition of "highly intoxicated driver";
- (4) Repeals evidence of intoxication parameters for highly intoxicated drivers;
- (5) Specifies that ignition interlock devices be certified by an independent laboratory to meet or exceed the guidelines published by the National Highway Traffic Safety Administration;
- (6) Provides for the annual auditing of the vendor selected for the installation and maintenance of ignition interlock devices by the Department of Transportation (DOT), and authorizes the Director of DOT to require the vendor to pay for all or part of the costs incurred in conducting the audit;
- (7) Requires a respondent to keep an ignition interlock device installed and operating in any vehicle the respondent operates during a revocation period if the respondent had a valid driver's license at the time of the arrest;
- (8) Requires a respondent to obtain an ignition interlock permit to operate a vehicle during the revocation period if the respondent had a valid license at the time of arrest;
- (9) Provides for notice of the date by which outstanding motor vehicle number plates must be surrendered and that failure to surrender the plates as required is a misdemeanor offense;
- (10) Eliminates probationary provisions for convicted second and third offenders and provides for the existing practice of "proof of compliance" to be used for all convicted offenders; and
- (11) Provides for the loss of the privilege to operate a motor vehicle equipped with an ignition interlock device upon conviction of operating a vehicle after a license has been suspended or revoked for operating a vehicle under the influence of an intoxicant.

DOT and the Honolulu Police Department supported this bill. The Judiciary, Department of Health, Prosecuting Attorney of the City and County of Honolulu, and Mothers Against Drunk Driving HAWAII provided comments on this measure.

Your Committee has amended this bill by:

- (1) Including language that requires the Director of DOT to contract with the selected interlock vendor to provide partial financial relief to certain offenders for installation and periodic calibration charges;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2752, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2752, H.D. 3.

Signed by all members of the Committee except Representative Ward.

SCRep. 673-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 16

The purpose of this resolution is to support the United States Bureau of the Census and urge all Hawaii residents to participate in the 2010 census.

The State Council on Developmental Disabilities, Healthy Mothers, Healthy Babies Coalition, and a concerned individual supported this measure.

Your Committee finds that every United States citizen is required by law to complete census forms. However the most compelling reason to participate is to benefit oneself and one's community. Census information about Hawaii's population is used to allocate federal grants to Hawaii. Last year these grants totaled nearly \$290,000,000, including \$97,000,000 for health and human services, and more than \$88,000,000 for education. However, Hawaii was estimated to have the second highest census undercount, and it is estimated that the undercounting of our population has resulted in the loss of millions in federal funds for each of the last ten years.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 16 and recommends its adoption.

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

SCRep. 674-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 54

The purpose of this concurrent resolution is to support the United States Bureau of the Census and urge all Hawaii residents to participate in the 2010 census.

The State Council on Developmental Disabilities, Healthy Mothers, Healthy Babies Coalition, and a concerned individual supported this measure.

Your Committee finds that every United States citizen is required by law to complete census forms. However the most compelling reason to participate is to benefit oneself and one's community. Census information about Hawaii's population is used to allocate federal grants to Hawaii. Last year these grants totaled nearly \$290,000,000, including \$97,000,000 for health and human services, and more than \$88,000,000 for education. However, Hawaii was estimated to have the second highest census undercount, and it is estimated that the undercounting of our population has resulted in the loss of millions in federal funds for each of the last ten years.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54 and recommends its adoption.

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

SCRep. 675-10 Consumer Protection & Commerce on S.B. No. 2015

The purpose of this bill is to promote competition in the telecommunications marketplace by requiring the Public Utilities Commission (PUC) to treat retail intrastate telecommunications services as "fully competitive," to deregulate these phone services and bolster competition with other forms of telecommunications.

PUC, Hawaiian Telcom, and tw telecom – Hawaii testified in support of this bill.

Act 180, Session Laws of Hawaii 2009, updated Hawaii's regulatory framework for telecommunications to create market parity among all phone service providers. This bill expands that effort by deregulating other retail telecommunication services to facilitate competition with service providers that are either unregulated or not subject to the same level of regulatory oversight.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2015, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Karamatsu, Luke, Morita, Souki and Tsuji.

SCRep. 676-10 Consumer Protection & Commerce on S.B. No. 2017

The purpose of this bill is to allow crop insurance adjusters to fulfill their licensing examination requirement by passing an examination approved by the Risk Management Agency of the U.S. Department of Agriculture.

The Department of Commerce and Consumer Affairs testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2017 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Karamatsu, Luke and Morita.

SCRep. 677-10 Consumer Protection & Commerce on S.B. No. 2812

The purpose of this bill is to enable Hawaii to remain a leading captive insurance domicile by:

- (1) Reducing the frequency of captive insurer examinations, unless otherwise required by the Insurance Commissioner, and except that Class 3 risk retention captive insurers must be examined within three years of formation; and
- (2) Clarifying the type of businesses that may form a protected cell for a sponsored captive insurance company.

The Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, and a concerned individual testified in support of this bill.

Large companies insure their own risk by establishing captive insurers. Your Committee finds that this measure will increase efficiency in the oversight of captive insurers while preserving the Insurance Commissioner's authority to regulate this important industry.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2812, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Karamatsu, Luke and Morita.

SCRep. 678-10 Consumer Protection & Commerce on S.B. No. 2602

The purpose of this bill is to improve the ability of real estate licensees to provide quality services by:

- (1) Increasing the mandatory continuing education hours for these licensees, from 10 hours to at least 20 hours in a two-year period; and
- (2) Requiring real estate licensees to have a high school diploma or its equivalent, as determined by the Real Estate Commission (Commission).

The Commission, Hawaii Association of REALTORS, and Hawaii League of Young Real Estate Professionals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Eliminating the provision requiring every real estate licensee to have a high school diploma or its equivalent; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2602, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Karamatsu, Luke and Morita.

SCRep. 679-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 41

The purpose of this resolution is to reduce the negative consequences of excessive alcohol consumption by patrons of commercial establishments by requesting the Department of Commerce and Consumer Affairs (DCCA) to study the feasibility of mandatory statewide training standards for sellers and servers of alcoholic beverages.

The Hawaii Food Industry Association and Mothers Against Drunk Driving supported this resolution. DCCA provided comments.

Alcoholic beverage server training to identify and deal with overdrinking by patrons would help to reduce drunk driving fatalities and violent crimes in Hawaii, as well as the liability of owners of retail and serving establishments. However Hawaii is one of only 15 states that lack an alcoholic beverage server training law. Currently, server training requirements, if any, are not uniform, and are left to each county's liquor commission.

Your Committee has not transferred the server training feasibility study to the Legislative Reference Bureau (LRB), as suggested by DCCA, because LRB is overtaxed and may be faced with budget cuts.

Your Committee requests that the working group assembled by DCCA include representatives of the four county liquor commissions and at least the following community groups: the Hawaii Hotel and Lodging Association, Hawaii Restaurant Association, and Hawaii Visitors and Convention Bureau.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 41 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 680-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 92

The purpose of this concurrent resolution is to reduce the negative consequences of excessive alcohol consumption by patrons of commercial establishments by requesting the Department of Commerce and Consumer Affairs (DCCA) to study the feasibility of mandatory statewide training standards for sellers and servers of alcoholic beverages.

The Hawaii Food Industry Association and Mothers Against Drunk Driving supported this concurrent resolution. DCCA provided comments.

Alcoholic beverage server training to identify and deal with overdrinking by patrons would help to reduce drunk driving fatalities and violent crimes in Hawaii, as well as the liability of owners of retail and serving establishments. However Hawaii is one of only 15 states that lack an alcoholic beverage server training law. Currently, server training requirements, if any, are not uniform, and are left to each county's liquor commission.

Your Committee has not transferred the server training feasibility study to the Legislative Reference Bureau (LRB), as suggested by DCCA, because LRB is overtaxed and may be faced with budget cuts.

Your Committee requests that the working group assembled by DCCA include representatives of the four county liquor commissions and at least the following community groups: the Hawaii Hotel and Lodging Association, Hawaii Restaurant Association, and Hawaii Visitors and Convention Bureau.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 681-10 Finance on H.B. No. 2000

The purpose of this bill is to provide the Judiciary with supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2009-2011 by amending the Judiciary Appropriations Act of 2009.

Despite the harsh economic conditions currently faced by the State, your Committee on Finance is concerned that drastic cuts to the Judiciary would hamper its ability to dispense justice in a fair and timely manner. On the other hand, although the Judiciary has not reflected any furlough savings in its budget, this branch of government should be treated like the other branches and all other agencies. Therefore, your Committee has factored the appropriate furlough savings into the Judiciary's supplemental budget. Your Committee, however, does not recommend any additional cuts given the uncertainty the Judiciary faces with respect to its caseload and the effects of furloughs and staffing reductions.

At the public hearing on this bill, your Committee was particularly impressed by the data presented by an independent investigator who evaluated Hawaii's Opportunity Probation with Enforcement (HOPE) program, with support from the National Institute of Justice and the Smith Richardson Foundation. A second, more-intensive evaluation is in its final stages and should be ready for release by early summer. A circuit court judge provided equally compelling examples of local successes and even greater application with no required increase in funding.

The promising initial results have already sparked interest from numerous individuals and agencies across the nation, including the Pew Research Center and the federal government.

The following table indicates some of the data obtained from the evaluation of the HOPE program.

Outcome	HOPE Program	Control
No-shows for probation appointments (average of appointments per probationer)	9%	23%
Positive urine tests (average of tests per probationer)	13%	46%
New arrest rate (probationers rearrested)	21%	47%
Revocation rate (probationers revoked)	7%	15%
Incarceration (days sentenced)	138 days	267 days

Currently, it costs the State \$50,735 per year, or \$139 a day, to incarcerate an individual. In comparison, the HOPE program costs only \$1.82 per day to supervise an individual on probation, an individual who might otherwise be incarcerated without the help of the program. Your Committee is confident that specialty courts, including the HOPE program, Girls' Court, and Drug Court, will result in substantial cost savings.

The Judiciary, Children's Alliance of Hawaii, Inc., and numerous concerned individuals testified in support of this bill. The Hawaii Substance Abuse Coalition and several concerned individuals submitted comments. And, although not present at the public hearing, your Committee acknowledges the Chief Justice's eloquent and compelling argument for the restoration of funds for the Judiciary's specialty courts and purchase of service contracts delivered through his last State of the Judiciary address on January 27, 2010. His strong presentation and command of the facts and figures to support his case led logically to the conclusion that the benefit to the community is greater than the nominal cost of additional funding. And, like the brilliant and seasoned trial attorney he is, he led us to the inescapable conclusion of a favorable decision by letting us find and own it ourselves.

Your Committee has amended this bill by:

- (1) Adding \$1,500,000 for specialty courts and purchase-of-services contracts;
- (2) Reducing the Judiciary's overall budget by \$7,843,764 for furloughs; and
- (3) Adding \$5,600,000 for capital improvements.

In total, this measure appropriates \$132,823,624 in general funds and \$143,840,129 in all means of financing for the operating budget of the Judiciary. This measure also appropriates \$15,375,000 in general obligation bond financing for capital improvements for the Judiciary.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2000, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2000, H.D. 2.

Signed by all members of the Committee except Representative Har.

SCRep. 682-10 Finance on H.B. No. 2200

Introduction

The 2009 Legislature was faced with an unprecedented budget challenge – a three-year shortfall of approximately \$2.1 billion. Although a balanced budget and financial plan were adopted by the Legislature by the end of the 2009 session, revenues continued to slide, and by January 2010 the State was faced with another daunting budget shortfall of approximately \$1.2 billion over a two-year period.

It appears that the budget submittal to the Legislature consists mostly of one-time, expeditious solutions including furloughs, layoffs, deferred payments, and delayed tax refunds. While these solutions are quick and easy to accomplish, the full effects of these actions are unknown and may have lasting effects on many. Only those solutions requiring controversial and difficult decisions remain. This budget is one piece of an integrated plan to address several key questions:

- How far can we cut government programs and services?
- What programs and services are we willing to live without?
- Are we willing to pay more for the programs and services we want?
- What do we want Hawai'i to look like when the recession ends?

A year ago, your Committee noted that:

"The solution to our current problem must therefore be both systemic and sustainable. In short, this unprecedented challenge is an opportunity to re-evaluate the purposes and goals of certain functions of government so that fundamental change can occur to better meet the needs of our people. However, your Committee recognizes that discussions on making fundamental change will require more time . . ."

It is questionable whether the Administration actually performed this evaluation. In adjusting the 2010 supplemental budget, your Committee recognizes that the solution to our problem must involve more than closing down state services on Fridays or cutting personnel.

Approach

- The budget and financial plan submitted to the Legislature relied on:
- Taking personnel actions to furlough or lay off state employees;
- Increasing taxes and taking revenue from the counties;
- Delaying tax refunds to taxpayers; and
- Deferring the payment of certain obligations to future years.

A reduction-in-force (RIF) procedure was implemented and hundreds of state jobs were eliminated. Analysis by your Committee indicates that the RIF terminated nearly 1,000 employees, generating roughly \$43 million in general fund savings.

In contrast, the furloughs negotiated between the Governor and the various labor unions will result in a savings of approximately \$198 million for FY 2010-2011.

Unfortunately, great reliance was placed on one-time solutions to solve the State's deficit problem instead of focusing on core government functions and services. More disturbing, however, is the magnitude of the needs left unmet in the Administration's budget. In particular, unpaid Medicaid reimbursements for FY 2008-2009 and projected budget shortfalls in FY 2009-2010 and FY 2010-2011 have reached \$146.5 million.

This approach to the budget leaves a gap between revenues and expenditures, creating a structural deficit that will become more serious the longer difficult budget decisions are delayed.

In crafting this budget and financial plan, your Committee:

- Analyzed and cut expenditures in specific programs, rather than employing an "across the board" budget cutting approach;

- Evaluated program performance in order to determine where to cut expenditures as well as restore critical functions of government; and
- Raised revenue by repealing tax exemptions, transferring excess non-general funds to the general fund, and temporarily suspending and restructuring tax credits.

In its evaluation of the budget, your Committee discovered numerous consequences to both the RIF and furloughs -- consequences that may not fit with a vision of what Hawai'i can and should be. Although complete restoration is neither possible nor warranted, your Committee embarked on a deliberate process to balance the budget, mindful of that enormous responsibility.

Bond Rating Agencies

Currently, Hawaii's G.O. bonds are ranked:

- 'Aa2' by Moody's Investors Service with a negative outlook;
- 'AA' by Fitch Ratings with a negative outlook; and
- 'AA' by Standard & Poor's with a stable outlook.

In its February 4, 2010, report, "Moody's Investors Service" noted that:

"The negative outlook also reflects Hawaii's narrowed financial operations as underscored by significantly lower reserve levels and payment deferrals that indicate liquidity challenges; and out-year structural gaps due to one-time solutions already incorporated in the enacted budget and proposed for the recently identified budget shortfall."

According to Moody's, maintenance of structural budget balance, rebuilding and maintenance of strong reserve levels, and annual funding of pension and other post-employment benefits annual required contributions are factors that may raise Hawaii's G.O. bond ratings.

Moody's also stated that increased use of non-recurring solutions to balance the budget and failure to adopt a plan to cover expenditures once federal stimulus moneys are no longer available may lower Hawaii's G.O. bond ratings.

Your Committee on Finance shares these concerns.

RIF Determination

Your Committee agrees with the Administration that state government can be cut using layoffs as a tool. No organization the magnitude of state government can be perfectly efficient. However, efficiencies should drive layoffs, and not the other way around. An organization that is looking to downsize should assess its own strengths and weaknesses, eliminate redundancies and inefficiencies, and make needed adjustments. It appears that the Administration has not performed a programmatic analysis of its own operations and has laid off workers without regard for the resulting impact on services or how layoffs might generate inefficiencies. Repeated questioning of various directors and agency heads could not uncover a single policy providing guidance for these layoffs. Equally troubling was the disclosure that individual termination decisions came from the Governor's office and her staff.

RIFs in the Department of Human Services (DHS), Department of Agriculture (DOA), and Department of Health (DOH) have the potential to irreparably harm Hawaii. Your Committee found it essential to find alternatives to these budget cuts, budget cuts which could:

- Keep children in dangerous, life threatening environments;
- Jeopardize the safety net for those who need it the most;
- Prevent the systematic inspection of airport and harbor facilities and allow invasive species to enter the islands; and
- Endanger the state's food supply.

With this in mind, your Committee restored critical programs decimated in the budget, and provided alternative adjustments. In making these difficult choices, your Committee not only sought input from department directors and managers of state programs, but also from those who implement these programs and are intimately involved in their success or failure. Front counter personnel, intake workers, and line agents provided guidance and advice on budget cuts and service impacts. Finally, your Committee took into careful consideration the effect of these programs on the lives of those who depend on them.

Contract Reductions

To generate additional savings, your Committee on Finance also looked at cutting contract costs. This was a difficult task as the various agencies were, in many areas, either unwilling or unable to provide requested information on a timely basis.

Your Committee was especially mindful of the expenditures of the Office of School Facilities and Support Services of the Department of Education (DOE), which houses the bus transportation, food service and repair and maintenance of school facilities. Two Auditor's Reports released in February 2009 (*Procurement Audit of the Department of Education: Part 1 and Part 2*, Report Nos. 09-03 and 09-04) focused on these areas.

Furthermore, your Committee has learned of a DHS purchase of service (POS) contract with the individual who is now leading the department's reorganization known as the Eligibility Processing Operations Division (EPOD) re-organization. When delving into this individual's past, your Committee is puzzled by DHS's decision to hire this individual. This individual left the position of Director of Adult and Family Services in Oregon apparently to pursue private consulting. A December 15, 2009, article in the *Willamette Week Online* reported that this individual was:

“frequently and vociferously criticized by advocates for the poor for making it harder than necessary to get food stamps and cash assistance.”

In light of this example, your Committee finds that DHS has used questionable judgment in awarding POS contracts.

Your Committee was also informed by DHS of several agencies that double charged the department. In response, your Committee has eliminated those contracts. As a result of contract savings, your Committee was able to restore personnel lost due to vacancies or layoffs in the most needed areas.

Additionally, your Committee restored position counts abolished by the Administration when it cut vacant or filled positions. Restoring these position counts will maintain cost savings from RIFs, while enabling these positions to be filled immediately, should the current or future Administration find funding for these positions.

Department of Human Services

During an economic downturn, individuals depend even more on the social safety net than in times of economic prosperity. The loss of these services, however slight, will put additional strain on vulnerable populations that are already under a great deal of pressure simply to make ends meet. While the State needs to cut expenditures to close a significant budget gap, reducing DHS funds and personnel who provide protection to our vulnerable populations will only exacerbate an already critical situation. Your Committee is concerned with the direction current management is leading DHS.

Your Committee is perplexed that DHS reduced a total of 21 percent of its positions, including vacancies, during the RIF process in the fall of 2009. A RIF of this size will have a severe and enduring impact on quality service delivery. While the Director and the Department's division heads consistently insist that their proposed reductions will result in no change in service delivery to the public, line staff has reported a workload increase of up to 400 percent.

Child Welfare Services (CWS) lost 24 percent of their positions in the recent RIF, most of which involve direct contact with children. The loss of personnel has increased the size of geographic service regions, putting additional strain on line workers in conjunction with the increased workload.

DHS's own policies and procedures require a CWS investigator to attempt to make contact with a client within 48 hours of an initial report. Currently, some investigators have reported cases where initial contact was not able to be made for weeks because of staff shortages. While your Committee is troubled by DHS's lack of adherence to its own established policies, your Committee is very concerned about the safety and well-being of Hawaii's children, and feels that this division requires immediate attention before another preventable child fatality occurs. Consequently, your Committee has restored the CWS positions cut by the RIF, and has also funded position vacancies.

Furthermore, your Committee is troubled by the recent news of the planned department re-organization known as EPOD. This re-organization will eliminate 31 eligibility offices and 230 eligibility workers, leaving only one office on Oahu and one on the Island of Hawaii. Your Committee notes that the federal rules require face-to-face interviews. These interviews are critical to assist in prosecuting welfare fraud. Your Committee is concerned that the proposed EPOD will not sufficiently address this federal requirement. The conversion of traditional eligibility determination procedures to an electronic format will make the State welfare system more susceptible to abuse with the concomitant negative fiscal impact.

Finally, your Committee is puzzled that DHS was not able to produce a Temporary Assistance to Needy Families (TANF) financial plan prior to the start of the 2010 legislative session as required by Section 156 of Act 162, SLH 2009. Your Committee notes that the TANF financial plan, once delivered, did not account for TANF additions that were included in the budget, and relies upon American Recovery and Reinvestment Act and Deficit Reduction Act extensions through 2014. In other words, the DHS TANF financial plan relies on congressional action that has not occurred. Also of concern is the proposal to change the method of funding for two-parent families from general funds to TANF funds. This change will impose a work participation rate of 90 percent, in line with TANF requirements, on enrollees, which is unrealistic given current job market conditions. As a result, your Committee has denied all additions to TANF spending.

Department of Health

Your Committee commends DOH for its continued hard work in carrying out a wide array of increasingly difficult tasks while faced with a shrinking pool of resources.

However, the critical role DOH holds in keeping Hawaii's people healthy and vibrant demands this department maintain an adequate level of staffing. Therefore, your Committee has restored position counts to levels similar to those set prior to the RIF taken in the fall of 2009, so that DOH will have the ability to hire staff necessary to carry out its duties.

Your Committee finds that the restoration of DOH position counts is essential in light of your Committee's decision to cut funding for POS contracts. After careful examination of DOH's large number of POS contracts, your Committee believes that a consolidation of contracts to increase efficiency will bring about cost-savings for DOH. Renegotiation with service providers may also be necessary to find an equitable and uniform cost-per-client price for each service provided. However, until DOH can standardize costs for these contracts, your Committee believes it is more cost-effective for DOH to provide these services with its own staff.

Department of Education

Unlike other state departments, with the exception of the University of Hawaii (UH), the Department of Education (DOE) did not impose staff reductions or vacancy reductions, and instituted minimal operating cost reductions in FY 2009-2010. Rather, the Board of Education (BOE) relied on furloughs to address the necessary departmental budget reductions.

Furlough Fridays have affected all public school students. To help address this unfortunate situation for the next school year, your Committee has appropriated \$50,000,000 in general funds to the Department of Education, Public Libraries, Charter Schools, and the department of Budget and Finance. While recognizing that this amount is less than half of what may be needed to fully restore all instructional days, your Committee feels this encourages all parties to come to the negotiating table to find a solution.

Your Committee has found that while student enrollment in the public schools steadily declined from 1999-2009, falling approximately four percent, total funding for DOE -- considering all funding sources -- nearly tripled during that same period, increasing from approximately \$987,000,000 to \$2,800,000,000. Your Committee notes that federal regulations regarding special education and those contained in the No Child Left Behind Act (NCLB) were instituted during that time, and now comprise \$402,000,000 of the current \$1,700,000,000 budget proposal.

While BOE has approved of the proposed budget cuts in overall dollars, it has not approved any breakout of funding cuts within the department. Although DOE's suggestions for the distribution of these cuts include reductions in federal funds to carry out NCLB requirements, your Committee restored these funds both to ensure compliance with federal mandates, and because these are federal funds not tied to any general fund expenditures. In addition, in light of the nation's current fiscal environment, your Committee anticipates a modification in those federal mandates, as each state struggles to maintain the funding needed to fulfill them.

To avoid increasing the number of furlough days to address the budget crisis, your Committee identified areas in which efficiency could be improved. Your Committee has crafted a budget that would involve reductions in POS contracts to spread the burden of general fund shortfalls among those who have been benefiting from private contracts with DOE but have not experienced cuts in funding for those contracts. Also, based on feedback received from teachers indicating that instructional support seminars and classes are too often unproductive and wasteful of teacher time, your Committee has reduced funding for these programs.

Libraries

Your Committee finds that while library usage soars during economic downturns, Hawaii's library system has been struggling to maintain services to the public during this time of heavy budget cuts. Any further cuts would force the closure of branches in rural areas. Closure of facilities that serve as community centers as well as lending libraries at a time when use of the library system has increased would be detrimental to the public. Given the importance of the services provided by public libraries, your Committee has funded an increase in their hours of operation.

Charter Schools

Your Committee has struggled this session to obtain necessary information on the sources and uses of all funding for charter schools, as they continue to operate without full participation in the budget process. The Charter School Administrative Office (CSAO) was unable to provide documents required for the budget briefing in January. In addition, instead of reflecting the proposed reduction in their budget submittal for FY 2010-2011, the charter schools submitted a budget that included an additional \$22,424,611 -- a 43 percent increase in general funds over the budget proposal.

Your Committee is concerned with the inability of CSAO to provide information in an accurate and comprehensive fashion. For example, Act 162, SLH 2009, required charter schools to submit, prior to the convening of the 2010 legislative session, a report detailing all means of financing for the current and next fiscal year and actual expenditures for the last completed fiscal year for each charter school, together with a report of all other funds expended on behalf of each school. Unfortunately, three charter schools did not comply, rendering the report incomplete. It is also notable that the charter schools did not comply with the requirement in Act 162, SLH 2009, that they submit a report for each charter school on the internal policies and procedures for procurement.

Your Committee has worked diligently to encourage the charter schools to be transparent and accountable for the State funding they receive, but has found it necessary to go directly to the individual charter schools for funding information. The insistence by charter schools that they should not be held accountable in the same manner as other State entities is troubling, as they willingly partake of State funds. In light of the ongoing lack of transparency and accountability for funding between the charter schools, the CSAO and your Committee, this Committee's concerns are reflected in the bill through a proviso which requires each charter school to utilize a portion of their funding to conduct an independent annual financial audit that will be submitted to the legislature prior to each regular session.

In light of the claim by the charter schools that their budget reduction has left many schools struggling to survive, your Committee finds the existence of two advocacy entities -- CSAO and the Hawaii Charter School Network -- both funded either in part or in full by the charter schools, may be excessive to meet the needs of approximately 8,500 charter school students.

Department of Agriculture

The budget proposal reduces DOA's general funds by 44 percent, the largest reduction in general funds of any executive department. When put into perspective, the change to DOA will be profound and will have a severe impact on Hawaii's agricultural resources and environment.

Therefore, your Committee restored 59 positions, with the majority in the Plant, Pest, & Disease Control Division. Restoration of these positions will help DOA address the issue of invasive species.

Department of Public Safety

Your Committee recognizes the importance of maintaining public safety while providing adequate health care to Hawaii inmates, who are currently housed at in-state and out-of-state facilities, and also recognizes the difficulties the current fiscal crisis has placed on the Department of Public Safety (DPS). On March 14, 2007, the United States Department of Justice (DOJ) issued a Findings Letter that concluded that certain conditions at the Oahu Community Correctional Center (OCCC) violated the constitutional rights of detainees of OCCC. Based on that Findings Letter, the State and DOJ entered into a settlement agreement in which the State agreed to provide adequate mental health care to detainees at OCCC.

As a result of the settlement agreement, the 2008 Legislature authorized 28 positions to bring the State into compliance with the DOJ settlement agreement and to address mental health care and other health care issues at OCCC, Halawa Correctional Facility, and the Women's Community Correctional Center. To date, only six positions have been filled, although the State must come into substantial compliance with the DOJ settlement agreement by June 2011.

In addition, while DPS must be commended for its attempt to prioritize its core functions by requesting the abolishment of all of its security officer positions, your Committee finds that this will adversely affect DOH's budget because a majority of these security officers are assigned to the Hawaii

State Hospital and the Waimano Hospital and Training School. Abolishing these positions may provide some savings for DPS but does not provide any savings to the general fund as the DOH will need to find, and fund, its own security.

Department of Labor and Industrial Relations

Your Committee has concerns about operational and fiscal management of Hawaii Occupational Safety and Health Division (HIOSH), which is currently under an audit investigation regarding these issues. Your Committee has learned that without proper fiscal and operational management, the State may have to reimburse the Federal Occupational Safety and Health Administration for inappropriate spending by DLIR. To help address these concerns, your Committee restored all positions of HIOSH that were eliminated.

Capital Improvement Projects Program

Consistent with ongoing efforts to prepare a fiscally responsible budget that will also stimulate our economy, your Committee has restructured the State's capital improvement projects (CIP) program to maximize the use of all available resources.

Earlier, the Administration submitted an austere budget request for \$879,907,000 for G.O. bond-funded projects. This represented a reduction of \$75,248,000 or 12.7 percent less than what the Administration had submitted prior to the Regular session of 2009.

Using the Administration's request as a starting point, your Committee examined all existing G.O. and G.O. reimbursable bond funded projects that the Administration has not acted upon and re-appropriated these resources toward construction-ready projects, wherever possible.

In total, your Committee recommends the appropriation of \$990,305,000 in G.O. and G.O. reimbursable bond funds, and a grand total of \$3,894,638,000 for all means of financing. In making this recommendation, your Committee is confident that our limited resources will be used in a manner that best spurs construction and economic revitalization within our State.

Education, especially lower education, continues to be a key component in the supplemental CIP budget. Accordingly, the supplemental budget includes an additional \$30,000,000 for the repair and maintenance of our schools beyond what was requested by the Administration. In addition, because most of our schools are aging, your Committee has provided an additional \$30,000,000 specifically to upgrade electrical systems in school facilities statewide.

Higher education remains a priority in this supplemental budget. Therefore, your Committee has added \$31,000,000 for a new building for the Hawaiian language program at UH-Hilo. The sum of \$24,000,000 has also been earmarked for the construction of the UH West Oahu campus.

Lastly, the 2009 Legislature appropriated \$30,000,000 in FY 2009-2010 for the Rental Housing Trust Fund (RHTF) in the Hawaii Housing Finance and Development Corporation (HHFDC) to provide additional affordable rental housing. However, the Administration proposed to lapse the entire amount, despite HHFDC's objections that such action would effectively preclude it from carrying out its primary functions. Accordingly, your Committee has re-appropriated \$10,000,000 into the RHTF.

National Outlook

In December, 2009, fiscal committee chairs from approximately 30 states met in San Diego prior to the National Conference of State Legislatures' (NCSL) Fall Forum. A November, 2009, budget survey of the 50 states that was released at the conference revealed that:

- *“State lawmakers closed a cumulative budget gap of \$145.9 billion in their FY 2010 budgets. ... midway through FY 2010 for most states, new gaps have opened”;*
- *“To date, states have reported a total estimated budget gap of \$428.5 billion (FY 2008 through FY 2012)”;*
- *“Ironically, a contributing factor to future state budget gaps is the end of federal stimulus funds provided by the ARRA”;* and
- *“Despite a growing consensus that the national recession – the principal cause of state fiscal problems – has ended, state finances will not recover in the near term. **History shows that state budgets continue to struggle long after a recession ends.** [emphasis added]”*

The NCSL report noted that:

“The state revenue nightmare continues. Officials were hopeful that fiscal year (FY) 2009 would mark the bottom of the revenue plunge, but their hopes have been shattered. Not only have revenues continued to fall below expectations, they are projected to be anemic for years to come. This means another round of budget gaps, certainly in FY 2010, but even beyond in many states.”

The fiscal challenges facing Hawaii are similar to what, according to this information, many states are currently facing.

Conclusion

As the current economic situation runs its course, your Committee asks this question: What do we want Hawaii to look like when the recession is over?

Your Committee crafted a budget that recognizes the need to reduce expenditures while being responsive to the most essential services that state government provides — caring for those least able to care for themselves, protecting our natural resources, and cultivating an environment where our children thrive.

Budget cuts are necessary, but they should be thoughtful and responsive, rather than haphazard. Additionally, public input as to the impact of budget reductions should happen before they occur, not after.

Your Committee notes that the general fund budget has been reduced significantly in recent years. Act 158, Session Laws of Hawaii (SLH) 2008, the supplemental budget for fiscal year (FY) 2008-2009, appropriated \$5,318,212,647 in general funds for FY 2008-2009. In contrast, this draft of the supplemental budget appropriates \$4,858,822,596, an 8.6 percent decrease, for FY 2010-2011.

For the operating budget, this draft appropriates \$4,858,822,596 in general funds and \$10,050,017,231 in all means of financing for FY 2010-2011. In contrast, the original proposal by the Administration appropriated \$4,919,353,775 in general funds and \$10,089,112,150 in all means of financing. This is a reduction of \$60,531,179 in general funds and \$39,094,919 in all means of financing from the Administration's proposal.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2200, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Har.

SCRep. 683-10 Human Services on H.C.R. No. 81

The purpose of this concurrent resolution is to request an audit of the child custody proceedings involving the Commission of Family Violence by a Parent, to assess the use and application of Section 571-46, Hawaii Revised Statutes.

Testimony in support of this concurrent resolution was submitted by the Angel Group, Hawaii Children's Rights Council, and two concerned individuals.

The Hawaii State Bar Association testified in opposition to this concurrent resolution.

Comments were offered by the Hawaii State Judiciary.

Your Committee recognizes that domestic violence can take many forms, but the most damaging form is psychological abuse. This form of domestic violence rarely, if ever, shows any traces of evidence of its occurrence. It is also noted that victims of domestic violence are encouraged to end abusive relationships. But, as a consequence of the termination of those kinds of relationships, both child custody and visitation rights frequently become disputed issues. This litigation of child custody and visitation disputes often provide an ongoing means for the perpetrators to continue their abuse.

Accordingly, Your Committee notes that section 571-46(a)(9)-(14), Hawaii Revised Statutes addresses the problems of family violence in child custody disputes. It has also come to Your Committee's attention that Family Court judges may not be correctly applying, using, or enforcing Section 571-46(a)(9)-(14), Hawaii Revised Statutes.

Therefore, Your Committee recommends that the State Auditor undertake an audit of all child custody proceedings, as stated in this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Nishimoto and Yamane.

SCRep. 684-10 Tourism, Culture, & International Affairs on H.R. No. 30

The purpose of this concurrent resolution is to expedite family reunification for certain Filipino veterans of World War II by urging Congress and the President of the United States to support passage of the federal Filipino Veterans Family Reunification Act of 2009 or similar legislation.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 30 and recommends its adoption.

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

SCRep. 685-10 Tourism, Culture, & International Affairs on H.C.R. No. 71

The purpose of this concurrent resolution is to expedite family reunification for certain Filipino veterans of World War II by urging Congress and the President of the United States to support passage of the federal Filipino Veterans Family Reunification Act of 2009 or similar legislation.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends its adoption.

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

SCRep. 686-10 Tourism, Culture, & International Affairs on H.C.R. No. 87

The purpose of this concurrent resolution is to designate Surf Week in Hawaii as the week that includes August 24, the birth date of one of Hawaii's most famous and skilled water men, Duke Kahanamoku.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87 and recommends its adoption.

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

SCRep. 687-10 Human Services on S.B. No. 2028

The purpose of this bill is to help provide consistency in child custody cases by, among other things, requiring the Board of Family Court Judges to establish:

- (1) Child custody evaluation standards that child custody evaluators will then apply in recommending a child custody award; and
- (2) A child custody evaluator registry that all persons, with certain exceptions, must be listed on to be appointed by the court as a child custody evaluator or testify as an expert in child custody proceedings.

The National Association of Social Workers, AngelGroup, and several concerned individuals testified in support of this bill. The Family Law Section of the Hawaii State Bar Association opposed this measure. The Judiciary; TalkDoctors; Employee Assistance Resources-Hawaii, LLC; Hawaii Association for Marriage and Family Therapy, and several concerned individuals provided comments.

Your Committee notes the concerns raised that the proposals in this measure may subvert the adjudicative function of courts by making the Judiciary responsible for the endorsement of expert witnesses and the establishment of a registry of child custody evaluators or experts appointed by the Family Court.

Additionally, your Committee understands the Judiciary's concern that with the current lack of resources, it may be difficult to fully realize this bill's purposes. Your Committee respectfully requests subsequent Committees to consider this bill in light of these concerns should they choose to hear this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2028, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Nishimoto and Yamane.

SCRep. 688-10 Energy & Environmental Protection on S.B. No. 2544

The purpose of this measure is to extend from June 30, 2010, to June 28, 2015, the authorization for the Department of Budget and Finance to issue special purpose revenue bonds to finance the Honolulu Seawater Air Conditioning, LLC, projects on Oahu.

Testimony in support of this measure was submitted by the Hawaii Renewable Energy Alliance and one concerned individual.

Your Committee finds that in 2005, the Legislature authorized up to \$48,000,000 in special purpose revenue bonds to fund the design and construction of a seawater air conditioning district cooling system in downtown Honolulu. The seawater air conditioning district cooling system is a renewable energy project that demonstrates the State's commitment to a sustainable and energy efficient future.

Your Committee further finds that since the time the bonds were authorized, the financial markets became volatile, making sale of the bonds, which are approaching their expiration dates, difficult and costly to the State. Your Committee understands that current markets have shown improvement and believes that by extending the time during which the Department of Budget and Finance may issue the special purpose revenue bonds, the State will be able to sell the bonds at a future date when the financial markets recover.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Herkes, Ito and Sagum.

SCRep. 689-10 Water, Land, & Ocean Resources on S.B. No. 2610

The purpose of this bill is to increase government efficiency by requiring the Director of Taxation to provide the county real property assessment divisions with an image of all certificates of conveyance filed with the Bureau of Conveyances.

The City and County of Honolulu and County of Kauai supported this bill. The Department of Taxation (DOTAX) opposed this measure.

This bill would replace the current method of distributing printed copies of certificates of conveyance to the counties with online distribution of digital copies. Digital copies are currently available for online distribution because DOTAX has implemented scanning of certificates of conveyance.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2610 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 690-10 Water, Land, & Ocean Resources on S.B. No. 2440

The purpose of this bill is to facilitate the payment of county board of water supply (board) invoices by giving the manager and chief engineer powers and duties, as prescribed by the board, regarding the disbursement of funds.

Your Committee has amended this bill by:

- (1) Authorizing the board to delegate its powers and duties regarding the disbursement of funds to the manager and chief engineer; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 691-10 Water, Land, & Ocean Resources on S.B. No. 2249

The purpose of this bill is to protect water safety officers from being physically attacked while performing their duties. This bill makes it a class C felony for assaulting water safety officers.

Three concerned individuals testified in support of this measure. The Emergency Services Department and the Ocean Safety and Lifeguard Services Division of the City and County of Honolulu, and the Hawaiian Lifeguard Association supported the intent of this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2249, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2249, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 692-10 Labor & Public Employment on S.B. No. 2383

The purpose of this bill is to protect dislocated workers by authorizing the Department of Labor and Industrial Relations (DLIR) to exercise enforcement powers against an employer in a covered establishment to require the employer to adhere to and comply with the notification and penalty provisions of section 394B-9, Hawaii Revised Statutes.

The ILWU Local 142 and Hawaii Government Employees Association testified in support of this bill. DLIR testified in opposition to this measure.

Your Committee notes that the 2007 Legislature amended the Dislocated Workers Act to include penalties against an employer for failure to provide notice in the event of a closing divestiture, partial closing, or relocation of a business. However, to enforce penalties, an aggrieved worker must file a claim in court, subjecting the worker to expense and delays that ultimately serve as a deterrent to seeking the penalties. As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2383 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 693-10 Labor & Public Employment on S.B. No. 2564

The purpose of this bill is to improve the process by which the Hawaii Civil Rights Commission (HCRC) investigates complaints by clarifying confidentiality provisions concerning the disclosure and allowable use of factual records obtained in the course of an investigation.

HCRC testified in support of this bill.

A number of respondents in investigations conducted by HCRC have requested that their statements be confidential as allowed under current law. However, some of these respondents have also asserted that this confidentiality request precludes the disclosure and use of their statements as evidence in any future proceedings, at times conditioning their cooperation and appearance for interviews with an assertion of confidential witness status. HCRC informed your Committee that they refuse to agree to these conditions because they could limit the use of evidence obtained in the course of the law enforcement investigation for the prosecution of the complaint. This has resulted in resources being expended in litigating these issues in actions for subpoena enforcement. This measure should resolve this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2564, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 694-10 Labor & Public Employment on S.B. No. 2339

The purpose of this bill is to promote the timely rendering of decisions in workers' compensation claim hearings by:

- (1) Requiring the Director of the Department of Labor and Industrial Relations (DLIR) to further investigate the facts surrounding a claim for compensation and render a decision in writing within 60 days after the conclusion of a hearing awarding or denying compensation;
- (2) Requiring that within 30 days of an employer's denial, or indication of non-acceptance of compensability, the employer shall submit a written report to the Director of DLIR and the claimant that describes the employer's internal investigation and supporting details that substantiate the denial or indication of non-acceptance; and
- (3) Prohibiting the due date for the employer's foregoing written report to be extended.

The ILWU Local 142; Hawaii Injured Workers Alliance; Vocational Management Consultants, Inc.; Hawaii State Chiropractic Association; and several concerned individuals testified in support of this bill. DLIR, the Department of Human Resources Development, and Department of Human Resources of the City and County of Honolulu testified in opposition to this measure.

Your Committee notes that this bill simply requires the Director of DLIR to investigate the facts surrounding a claim, requires a decision in writing within 60 days after the conclusion of the hearing awarding or denying compensation for a claim to be rendered by the Director, and requires an employer to submit a report describing the employer's internal investigation and supporting details that substantiate the denial or indication of non-acceptance of a workers' compensation claim. This is an administrative improvement which should encourage all parties, including DLIR, to act responsibly in moving cases toward a prompt resolution, and ultimately reducing the financial and personal costs of these claims for both the employer and the employee.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2339, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 695-10 Labor & Public Employment on S.B. No. 2566

The purpose of this bill is to ensure that injured workers have access to appropriate care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendations from a board certified or licensed specialist without contest by an insurer or employer.

The Hawaii Medical Association, Hawaii Chapter-American Physical Therapy Association, ILWU Local 142, Hawaii Injured Workers Alliance, Vocational Management Consultants, Inc., and a concerned individual testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii Insurers Council, and Property Casualty Insurers Association of America testified in opposition to this measure.

The ability to diagnose an injury or illness accurately and expeditiously should be an uncontested right of all licensed physicians. However, that ability is frequently thwarted by payers who undermine a treating doctor's efforts using tactics such as "denial pending investigation," "denial pending an independent medical exam," or simply not responding to a physician's efforts to clarify an injured worker's condition. Although done as a means of "cost control" or "utilization management," these efforts undermine treating physicians' abilities to clarify the patient's condition and efficiently focus on available treatments.

Your Committee is aware of concerns that where a surgeon or physician has a financial interest in a medical facility, referring a case for consultation to a board certified or licensed specialist working within that facility may be a conflict of interest. Thus, a physician or surgeon may seek consultation elsewhere, which ultimately will increase the costs of providing proper medical care to injured workers. Accordingly, your Committee has amended this measure by providing that a physician or surgeon may seek consultation from a board certified or licensed specialist working in the same medical facility regardless of whether the surgeon or physician has a financial interest in the facility.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2566, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 696-10 Labor & Public Employment on S.B. No. 2323

The purpose of this bill is to assist unemployed individuals who do not have Internet access or are unfamiliar with conventions of the Internet by prohibiting the Department of Labor and Industrial Relations (DLIR) from requiring individuals to register their availability to work online.

The ILWU Local 142 and Hawaii Government Employees Association testified in support of this bill. DLIR provided comments.

Under current law, claimants for unemployment insurance benefits are required to post job availability information that includes, among other things:

- (1) The claimant's name;
- (2) Job skills;
- (3) Education;
- (4) Training;
- (5) Prior employment history; and
- (6) Other relevant occupational information.

This "online resume" is intended to serve as a tool for helping claimants seek new employment. However, it also poses a disadvantage to claimants who do not have Internet access or are unfamiliar with using the Internet, and may result in these claimants not receiving unemployment benefits in a timely manner.

However, your Committee does note the concerns raised by DLIR with the provisions contained in this measure, particularly with the provision deleting the requirement for a partially unemployed individual to register for work to be eligible to receive unemployment insurance benefits. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 2202, H.D. 1. As amended, this bill requires DLIR to either:

- (A) Allow an individual to post the required information independently on the department's Internet job-matching system; or
- (B) Accept relevant occupational information provided by the individual on a document prescribed by the department, and enter the necessary information on the department's Internet job-matching system for the individual.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2323, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Awana, Souki and Pine.

SCRep. 697-10 Tourism, Culture, & International Affairs on S.B. No. 2740

The purpose of this bill is to reflect Saint Damien's recent confirmation of sainthood and designate May 10 of each year as Saint Damien de Veuster Day in Hawaii.

The Office of the Lieutenant Governor testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2740 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 698-10 Water, Land, & Ocean Resources on H.C.R. No. 47

The purpose of this concurrent resolution is to approve a development project on certain state lands pursuant to section 171-60, Hawaii Revised Statutes. Specifically, the Department of Land and Natural Resources seeks to lease approximately 20 acres of public lands at the Keehi Industrial Lots, Oahu, TMK No. (1) 1-2-23: (various parcels), by negotiation and without recourse to public auction, to a private developer or enter into a development agreement for the development and subdivision of lands as a leasehold project for various uses, including industrial, commercial, or business uses.

The Department of Transportation (DOT) and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this measure.

The subject property is currently under the control of DOT for harbor purposes. Although a majority of the property is underutilized due to its lack of infrastructure, DOT is unable to construct the necessary improvements to develop the property on its own due to other more pressing capital improvement priorities. Your Committee finds that the development of these lands as an industrial park for maritime and maritime-related uses will substantially increase the value of the lands, providing increased returns to the State.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47 and recommends that it be referred to the Committee on Finance.

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

SCRep. 699-10 Tourism, Culture, & International Affairs on H.R. No. 3

The purpose of this resolution is to honor the United Nations International Conference Population and Development Program of Action on the occasion of its 15th anniversary and urge the United States to recommit to the Program of Action by continuing its efforts to eradicate global poverty and gender inequality.

The American Civil Liberties Union of Hawaii testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 3 and recommends its adoption.

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

SCRep. 700-10 Tourism, Culture, & International Affairs on H.C.R. No. 5

The purpose of this concurrent resolution is to honor the United Nations International Conference Population and Development Program of Action on the occasion of its 15th anniversary and urge the United States to recommit to the Program of Action by continuing its efforts to eradicate global poverty and gender inequality.

The American Civil Liberties Union of Hawaii testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5 and recommends its adoption.

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

SCRep. 701-10 Higher Education/Education on S.B. No. 2903

The purpose of this bill is to strengthen and ensure a continuum of Hawaiian medium education from the early grades through college, by requiring the College of Hawaiian Language (College) at the University of Hawaii at Hilo (UH-Hilo), Department of Education (DOE), and Charter School Administrative Office (CSAO) to enter into an agreement regarding the College's functions related to Ke Kula o Nawahiokalaniopuu Public Charter School and other schools as laboratory schools.

The College and a concerned individual testified in support of this bill. DOE and CSAO opposed this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2903, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives Bertram, Manahan, Saiki, Shimabukuro and Takai.

SCRep. 702-10 Tourism, Culture, & International Affairs on S.B. No. 2607

The purpose of this bill is to protect consumers and providers of activities and attractions that are sold by activity desks by:

- (1) Requiring an activity desk to maintain and make available for inspection, books, records, and other documents required by law;
- (2) Providing that the activity desk registration number must be included on advertising and promotional material;
- (3) Requiring an activity desk to obtain full payment for activities prior to or at the time reservations are booked or placed with the activity provider or within three business days thereafter, with certain exceptions;
- (4) Requiring an activity desk to hold sums paid to an activity desk for activities furnished by an activity provider, in trust for the person making the payment and the activity provider; and
- (5) Increasing the maximum bond or letter of credit requirement for activity desks from \$100,000 to \$250,000.

A concerned individual supported this bill. The Department of Commerce and Consumer Affairs' (DCCA) Regulated Industries Complaints Office and DCCA's Professional and Vocational Licensing Division provided comments.

Your Committee has amended this bill by:

- (1) Reinstating provisions that allow DCCA to permit the use of other types of activity desk trust account funds or accounts, upon meeting certain requirements;
- (2) Changing the effective date to January 1, 2112; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2607, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2607, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 703-10 Tourism, Culture, & International Affairs on S.B. No. 2187

The purpose of this bill is to improve Hawaii's tourism industry and the administration of the Hawaii Tourism Authority (HTA) by:

- (1) Authorizing HTA to maintain confidentiality of certain sensitive information;
- (2) Directing HTA to develop program performance goals and targets that can be monitored as market gauges and used as attributes to evaluate their promotions;
- (3) Conforming reporting requirements for contracts or agreements entered into by HTA to current practices; and
- (4) Making permanent statutory provisions that exempted HTA accounts from the supervision of the Comptroller and authorized the use of up to five percent of moneys in the Tourism Special Fund (TSF) for administrative expenses.

HTA and Hawaii Hotel and Lodging Association supported this bill. The Tourism Liaison and Office of Information practices provided comments.

Your Committee has amended this bill by:

- (1) Adding provisions that allow marketing information to be disclosed after the marketing plans and strategies are executed;
- (2) Specifying that HTA executive meetings must adhere to the Sunshine Law under Chapter 92, Hawaii Revised Statutes;
- (3) Extending, instead of making permanent, statutory provisions that exempted HTA accounts from the supervision of the Comptroller and authorized the use of up to five percent of moneys in the TSF for administrative expenses; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2187, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2187, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 704-10 Transportation on S.B. No. 2201

The purpose of this bill is to update Hawaii's laws by repealing obsolete provisions relating to annual motor vehicle registration.

The Department of Customer Services of the City and County of Honolulu (DCS) testified in support of this bill.

According to DCS, all counties converted to the current staggered motor vehicle registration program in 1981. As such, your Committee finds that the provisions being repealed by this measure are outdated and no longer necessary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2201, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Rhoads and Takumi.

SCRep. 705-10 Transportation on S.B. No. 2756

The purpose of this measure is to clarify the cost-sharing requirements for public utilities and other entities that occupy state or county rights-of-way for relocating facilities due to highway development or undergrounding of facilities. Among other things, this bill:

- (1) Requires certain utilities to provide one-half of the excess costs over \$10,000 for the removal, relocation, replacement, or reconstruction of any utility facility;
- (2) Provides that a utility, except for a telecommunications carrier utility owner, must pay its share of betterment or relocation costs to the state or county highway agency 30 days prior to removal, relocation, replacement, or reconstruction of utility facilities;
- (3) Requires that a state or county highway agency is required to pay its full share of cost 30 days prior to construction;
- (4) Specifies that the final cost share must be based on the project's actual cost and subject to review and mutual agreement of the parties to the project; and

- (5) Stipulates that, when federal highway funds are available, they be used for 80 percent of the cost of undergrounding existing utilities.

The Department of Transportation (DOT), Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill. A member of the Maui County Council, Department of Environmental Management of the County of Maui, Kauai Island Utility Cooperative, and Honolulu Board of Water Supply opposed this measure. The Gas Company provided comments.

Currently, when utility relocations or undergrounding of utility facilities occur in state highway projects, the utility is required to share the cost with DOT. However, according to DOT, various interpretations of the law have resulted in inconsistent applications of the law, which has produced wide disparities in cost-sharing. Passage of this measure will help clarify the cost-sharing requirements for the relocation and undergrounding of utility facilities and ultimately result in cost savings for DOT.

However, your Committee notes that while further discussion is necessary to develop and improve upon this initiative, this bill is a good starting point for the stakeholders and will set into motion the changes necessary to ensure greater coordination between state, county, and public-utility agencies to implement much needed infrastructure improvements in a more equitable way.

Your Committee has amended this bill by:

- (1) Clarifying that, when paying for any betterment or relocation costs of a utility facility, the state or county highway agency must pay its full share to the utility; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2756, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2756, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives M. Lee and Rhoads.

SCRep. 706-10 Transportation/Public Safety on S.B. No. 2936

The purpose of this bill is to provide for the safety and security of Hawaii by:

- (1) Providing the Department of Defense (DOD), Department of Transportation (DOT), and Department of Agriculture (DOA) with the express statutory authority to inspect shipping containers at any commercial harbor;
- (2) Allowing DOD, DOT, and DOA to open any shipping container to detect and confiscate explosives or other material constituting a threat directly or indirectly to the security of life and property;
- (3) Allowing DOD, DOT, and DOA to collaborate with any federal, state, or county agency to carry out these inspections; and
- (4) Establishing DOD as the lead agency among state agencies responsible for coordinating the inspection of shipping containers.

DOA, Legislative Information Services of Hawaii, and several concerned individuals testified in support of this bill. DOT provided comments.

As an island state, Hawaii relies almost exclusively on its harbors and the shipping industry for the necessary products, food, and supplies which are used by residents and visitors alike on a daily basis. Therefore, the security of Hawaii's harbors are of the utmost importance for the protection of our safety and security. Since almost every product entering our state makes its way into these islands via the harbor system, vigilant inspection of the over one million shipping containers entering our harbors each year is a major element in protecting our State.

However, your Committees understand the concerns raised by DOA that they do not have the expertise to confiscate explosive devices as currently provided for in this measure, but would actually detain that cargo and inform the property authorities for confiscation of the material. Accordingly, your Committees have amended this measure by stipulating that DOA may open shipping containers for inspection to detect and detain any explosives.

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

Your Committees further note that, although this bill provides DOD with the responsibility for coordinating the inspection of shipping containers among state agencies, it is unclear as to how oversight of this coordination between the various state agencies will be conducted. However, your Committees find that this matter is of the utmost importance and these details can be worked out in the future.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2936, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2936, S.D. 1, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representative Takumi.

SCRep. 707-10 Transportation on S.B. No. 2105

The purpose of this bill is to improve the administration of the parking program for persons with disabilities by, among other things:

- (1) Designating the Disability and Communication Access Board (DCAB) as the issuing agency for removable windshield placards, temporary removable windshield placards, special license plates, and identification cards;

- (2) Removing the specific reference to the counties as the issuing agency while maintaining DCAB's flexibility to contract with the counties to issue removable windshield placards, temporary removable windshield placards, special license plates, and identification cards on DCAB's behalf;
- (3) Allowing the counties to retain any transaction fees charged for the issuance of placards, special license plates, and identification cards;
- (4) Extending the duration a removable windshield placard is effective from four to six years;
- (5) Providing for the issuance of a second removable windshield placard or temporary removable windshield placard upon request of the applicant and verification of the applicant's disability; and
- (6) Removing the reimbursement rate to the counties from statute and establishing it by administrative rules.

DCAB and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Customer Services of the City and County of Honolulu provided comments.

DCAB currently administers, and has the overall responsibility for the coordination of, the parking program for persons with disabilities. While the counties have been issuing parking placards, special license plates, and identification cards on behalf of the State, specifying that DCAB is the issuing agency for these items and may contract with the counties to provide this service on behalf of the State more accurately reflects the federal law requirements for this program.

In the past, reimbursement rates to the counties for their role in the program were statutorily established and the fees counties collected for transactions in issuing placards, special license plates, and identification cards were remitted to the general fund. This measure simplifies the accounting process.

Finally, your Committee finds that extending the duration a removable windshield placard is effective from four to six years will be a cost savings measure for DCAB while maintaining the integrity of the program. This will also be beneficial to persons with permanent disabilities in that they would have a longer period of time before having to renew their placard.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2105, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee except Representatives M. Lee, Rhoads and Takumi.

SCRep. 708-10 Transportation on S.B. No. 2375

The purpose of this bill is to eliminate distractions to drivers and increase traffic safety by prohibiting vending on any scenic lookout, pull-off, or turnaround area of a public highway.

The Department of Transportation testified in support of this bill. The Department of Land and Natural Resources (DLNR) provided comments.

Vending along highways often causes traffic congestion and may pose a traffic hazard depending on the situation. Similarly, vending along scenic lookouts, pull-offs, or turnaround areas of a public highway also raise traffic safety concerns. Prohibiting vending in these areas will go a long way to improving highway safety.

However, your Committee notes that, according to DLNR, while it does issue permits for vending at some scenic lookouts under its jurisdiction, DLNR does not have jurisdiction over all of the scenic lookouts throughout the state. In these situations, another management agency may have jurisdiction over the scenic area and issue permits for vending at that particular location. Accordingly, your Committee has amended this measure by deleting language specifying DLNR as the issuing agency for permits allowing vending at a scenic lookout.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2375, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2375, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee and Rhoads.

SCRep. 709-10 Transportation on S.B. No. 2863

The purpose of this measure is to expand the ability of state and county agencies to pursue reimbursement of outstanding debts by:

- (1) Allowing the county Director of Finance to record the notice of judgments as an encumbrance payable to a county on any registered motor vehicle;
- (2) Requiring the county Director of Finance to establish the payment of judgments payable to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership; and
- (3) Prohibiting the State, county, or any political subdivision from being charged a fee for any entry made in the tax lien and encumbrance record.

The Department of the Attorney General testified in support of this bill. Catrala Hawaii supported this bill with amendments. The Hawaii Automobile Dealers Association testified in opposition to this measure. The Division of Motor Vehicle, Licensing and Permits, of the City and County of Honolulu (DMVLP) provided comments.

Hawaii, like the rest of the nation, is facing economic conditions that have not been experienced for some time, which has necessitated a search for ways of increasing revenues. One way of accomplishing this is to pursue reimbursements of outstanding debts owed to the State and counties that have not been recoverable because the debtor either did not meet their payment obligations or simply ignored the recovery efforts by state and county agencies. Placing encumbrances on motor vehicles is an effective mechanism to significantly increase the likelihood of recovering these outstanding debts.

Your Committee notes that currently, agencies may record liens or claims with the Director of Finance of each county, but are required to pay a statutory fee that is deposited into the general fund. This fee may be hindering some agencies from using the tax lien and encumbrance record to assist in the recovery of outstanding debts owed the agency. Exempting the State and counties from the fee requirement will further facilitate the recovery of those debts.

However, your Committee understands concerns raised regarding the possible unintended consequences this measure may have on automobile dealers who unknowingly purchase used vehicles with tax liens on the vehicle and concerns raised by car rental companies that lengthy judicial procedures may negatively impact their companies through no fault of their own. Your Committee also understands the concerns raised by DMVLP that waiver of the fee for entries into the encumbrance record would cause a fiscal strain if it were not limited to entries for computer files. Accordingly, your Committee has amended this bill by:

- (1) Requiring the Director of Finance to waive payments for and record the transfer of ownership of a vehicle if the existing owner or prospective new owner for the vehicle provides evidence, satisfactory to the Director of Finance, that at the time ownership of the vehicle was taken, there were no notices of liens or judgments as to the vehicle on the motor vehicle registration computer file;
- (2) Providing the State or any county with the absolute right, power, and authority to settle, discharge, release, and resolve any and all such judgments, claims, liens and encumbrances for an amount not less than what the debtor would have paid the State or county had the debtor made timely payment or taken appropriate action prior to such judgment, lien, or encumbrance in instances where payments are not more than \$500 as of the effective date of this bill, for a period of 18 months from the effective date of this bill; and
- (3) Limiting the prohibition against fees to searches of the motor vehicle registration computer file.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2863, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 710-10 Transportation on S.B. No. 2942

The purpose of this bill is to increase the economic efficiency of the State by reorganizing the administration and function of certain agencies. Specifically, this bill:

- (1) Abolishes the Aloha Tower Development Corporation (ATDC) and transfers certain functions of ATDC to the Hawaii Community Development Authority (HCDA);
- (2) Transfers the Harbors Modernization Group from ATDC to the Department of Transportation (DOT);
- (3) Places the Commercial Harbors Modernization Plan (HMP) under the auspices of the Harbors Modernization Group; and
- (4) Appropriates an unspecified sum for consultant services to implement the HMP.

The Hawaii Building and Construction Trades Council supported this bill. ATDC and the Hawaii Developers' Council testified in opposition. DOT and the Hawaii Harbors Users Group offered comments.

Hawaii is facing a dire fiscal situation. This economic downturn is severely impacting the state budget with a budget deficit expected to be in excess of \$1 billion. The State must not only develop additional revenue sources while maintaining current revenue streams, but also reexamine areas where streamlining can accomplish more with fewer resources. Abolishing ATDC and transferring its various functions to DOT and HCDA is one means of accomplishing this without unnecessarily delaying any of the needed improvements to our State's harbors.

However, your Committee understands the concerns raised by ATDC that the abolishment of this agency and the transfer of its various functions to DOT and HCDA may have a more harmful effect on the State's economy and not result in any realized savings.

Further, your Committee notes the concerns of DOT that time and resources will be necessary for DOT to assume the responsibilities of providing administrative oversight of the Harbors Modernization Group, and that the lack of a transition period could severely impact the continued implementation of the HMP.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that:

- (1) Establishes a task force within DOT to determine the feasibility of abolishing ATDC and placing its various responsibilities within HCDA and DOT;

- (2) Provides that the recommendations of the task force shall include a transition period for placing the responsibilities within HCDA and DOT and that the abolishment of ATDC, if recommended, not take place prior to July 1, 2013;
- (3) Appropriates \$1,875,479 in Harbor Special Funds to DOT for purposes of obtaining consultant services to implement the HMP; and
- (4) Makes technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2942, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2942, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives M. Lee, Rhoads and Takumi.

SCRep. 711-10 Energy & Environmental Protection on S.B. No. 2081

The purpose of this bill is to provide funding to decrease littering by increasing the fines and allocating the fines to the jurisdiction, the State or county, that imposed the fine for violating the litter control law.

The Department of Environmental Management of the County of Hawaii testified in support of this bill. The Department of Budget and Fiscal Services of the City and County of Honolulu supported the intent of this measure. The Department of Budget and Finance and Department of the Attorney General provided comments.

Your Committee finds that littering continues to plague this state with dire consequences to our tourism industry and natural environment. The Environmental Management Special Fund (Special Fund) was established to provide funding for the implementation of the Hawaii Integrated Solid Waste Management Act that, among other things, requires the Department of Health and each county to consider the minimization of litter and illegal dumping as a design factor in the development of integrated solid waste management programs. Your Committee further finds that the Special Fund is an ideal vehicle to address the litter problem on a statewide basis.

Your Committee has amended this bill by:

- (1) Reallocating fines that are imposed and collected by a state agency into the Special Fund, rather than depositing the fines into a special account within the general fund for use by the state agency that issued the littering citation;
- (2) Adding as an allowable expenditure from the Special Fund, contracts or fund transfers to agencies that enforce litter control and criminal littering laws;
- (3) Changing the effective date to July 1, 2010; and
- (4) Making technical, nonsubstantive amendments for style, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2081, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2081, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Chong, Herkes, Ito and Sagum.

SCRep. 712-10 Labor & Public Employment/Economic Revitalization, Business, & Military Affairs on S.B. No. 1062

The purpose of this bill is to regulate Professional Employer Organizations (PEOs) in Hawaii as business organizations by requiring PEOs, before entering into any agreement with a client company in Hawaii to:

- (1) Register with the Insurance Commissioner and provide information including proof of compliance with Hawaii's employment insurance laws; and
- (2) Post a \$1,000,000 bond to indemnify the PEO's client companies.

ALTRES, Inc. and the National Association of Professional Employer Organizations testified in support of this bill. ProService Hawaii and a concerned individual supported the intent of this measure. The Department of Commerce and Consumer Affairs provided comments.

PEOs provide a valuable service to many employers by acting as the human resources and administrative offices of these employers and offer services such as payroll preparation, supplying temporary staffing, and providing workers' compensation, health insurance, and enhanced lifestyle benefits. The use of these organizations continues to grow, with over 2,000 Hawaii businesses, encompassing over 20,000 employees, using PEOs to provide various services to their employees.

Although PEOs are currently regulated, certified, or required to be registered in approximately 39 states, Hawaii has no such requirements. Due to the amount of responsibility and finances placed in the hands of PEOs and the negative effects the failure of unscrupulous PEOs would have on local businesses and their employees, your Committees find that these organizations should be regulated.

Recognizing the concern raised that a PEO should also obtain a tax clearance from the Department of Taxation to be registered in Hawaii, your Committees request that this issue be discussed further as the measure makes its way through the legislative process.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1062, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives M. Lee, Souki, Tokioka, Wakai and Wooley.

SCRep. 713-10 Energy & Environmental Protection/Water, Land, & Ocean Resources/Economic Revitalization, Business, & Military Affairs on S.B. No. 2818

The purpose of this measure is to improve the environmental review process by making it more streamlined, open, and consistent.

This measure would also clarify the roles of the director of the office of Environmental Quality Control and the Environmental Council with regard to administration of the environmental review process.

Specifically, this measure:

- (1) Amends Chapter 341, Hawaii Revised Statutes by:
 - (a) Reducing the size of the Environmental Council from fifteen to nine members;
 - (b) Revising the role of the Director of the Office of Environmental Quality Control to consist of administrative and advisory duties in support of the Environmental Council;
 - (c) Revising the role of the Environmental Council to include advising the Governor on environmental quality matters and rulemaking to implement Chapters 341 and 343, Hawaii Revised Statutes;
 - (d) Establishing the Environmental Review Special Fund; and
- (2) Makes numerous amendments to Chapter 343, Hawaii Revised Statutes, regarding the environmental review process that clarify:
 - (a) The types of actions that will be subject to an environmental review and the timing of that review;
 - (b) The criteria for determining the significance of environmental effects;
 - (c) The timing and extent of public notice and comment; and
 - (d) The period during which environmental impact statements remain valid.

Your Committees received testimony in support of this measure from the Sierra Club-Hawaii Chapter. Your Committees received testimony opposed to this measure from the Attorney General, Department of Health, City and County of Honolulu Department of Planning and Permitting, Alexander and Baldwin, Inc., Building Industry Association - Hawaii, Chamber of Commerce Hawaii, Hawaii Association of Realtors, Hawaii Developers Council, Hawaii Island Chamber of Commerce, Hawaii Leeward Planning Conference, Hawaii's Thousand Friends, Land Use Research Foundation of Hawaii, and The Outdoor Circle. The University of Hawaii Environmental Center, Earthjustice, Historic Hawaii Foundation, and The Nature Conservancy offered comments on the measure.

Your Committees find that this measure would implement many of the recommendations that resulted from examination of the State's environmental review system pursuant to Act 1, Session Laws of Hawaii 2008. However, your Committees further find that there is a lack of consensus among various stakeholders with an interest in this legislation, including government agencies, builders and developers, historic preservation associations, business interests, and environmental groups.

Your Committees note that a working group has been assembled to address concerns regarding changes to Hawaii's environmental review policy, in an effort to reach consensus on the unresolved issues raised by this measure. However, because the working group has not yet finished its work, your Committees believe that passage of this measure in its present form would be premature.

Accordingly, your Committees have amended this measure by:

- (1) Deleting Sections 2 through 9, which contain the proposed changes to Chapter 343, Hawaii Revises Statutes, relating to environmental impact statements;
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical amendments for the purposes of consistency, conformity, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2818, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2818, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 714-10 Public Safety on S.B. No. 2533

The purpose of this bill is to request a financial and management audit of the Department of Public Safety's (DPS) contracts with Corrections Corporation of America and the federal detention center in Honolulu:

- (1) Compare the quality of programming, costs, and economic benefit to the state of housing inmates in mainland facilities with housing them in Hawaii;
- (2) Address the closure of Kulani correctional facility as part of the comparison; and
- (3) Make a recommendation on whether to continue housing inmates on the mainland and in the federal detention center in view of the requirements of the Community Safety Act of 2007.

Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; United Public Workers, Local 646; American Civil Liberties Union of Hawaii; Community Alliance on Prisons; Hepatitis Network of Hawaii Prisoner Reintegration Program; Ohana Ho'opakele; The Drug Policy Action Group; The Drug Policy Forum of Hawaii; and several concerned individuals testified in support of this bill. DPS opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 715-10 Public Safety/Water, Land, & Ocean Resources on S.B. No. 950

The purpose of this bill is to ensure the safety of the State's law enforcement officers and deter the use of lethal force when the need to subdue a threatening individual arises by authorizing the law enforcement officers of the Department of Public Safety (PSD), and the Conservation and Resources Enforcement Officers of the Department of Land and Natural Resources (DLNR) to use electric guns in the course of carrying out their official duties.

PSD; the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; and several concerned individual supported this bill. DLNR supported this measure with amendments. The American Civil Liberties Union of Hawaii and a concerned individual opposed this bill. The Community Alliance on Prisons submitted comments.

Your Committees have amended this bill by requiring DLNR and PSD law enforcement officers to receive training from a manufacturer of electric guns at the same time to ensure cost savings.

As affirmed by the records of votes of the members of your Committees on Public Safety and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 950, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Coffman, C. Lee, Morita and Takumi.

SCRep. 716-10 Public Safety/Health on S.B. No. 2213

The purpose of this bill is to authorize each county to establish compassion centers to dispense medical marijuana to qualifying patients and caregivers registered with the Department of Public Safety (DPS).

Advocates for Consumer Rights, American Civil Liberties Union of Hawaii, NORML Foundation, Law Enforcement Against Prohibition, The Drug Policy Action Group, The Drug Policy Forum, the Representative of District 11, and a multitude of concerned individuals testified in support of this bill. Several concerned individuals supported this measure with amendments. DPS, the Department of the Attorney General, Honolulu Police Department, Hawaii County Police Department, Kauai Police Department, Maui Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney Maui County, Department of the Prosecuting Attorney Kauai County, Department of the Prosecuting Attorney Hawaii County, Coalition for a Drug-Free Hawaii, and several concerned individuals opposed this measure. Medical Cannabis Working Group, Hawaii Substance Abuse Coalition, and several concerned individuals provided comments.

Your Committees have amended this bill by:

- (1) Prohibiting compassion centers from being established within 50 miles of each other and not within two miles of a school;
- (2) Deleting the requirement that \$15 of the \$30 general excise tax on the sale of an ounce of marijuana be deposited into the general fund of the county where the sale occurred;
- (3) Making a violation of GET tax laws result in immediate rescission of a compassion center license, which will result in the compassion center's closure until the violation is addressed;
- (4) Requiring that the record of sale made by the compassion center be kept for five years along with the prescribing physician's name;
- (5) Removing certain provisions regarding county ordinances and criminal offenses since all ordinances should follow state law; and

- (6) Allowing non-residents to purchase marijuana for medical use with approved government identification, verified information on the prescribing physician, and temporary residence information.

As affirmed by the records of votes of the members of your Committees on Public Safety and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2213, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2213, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, M. Lee, Mizuno, Nishimoto and Takumi.
(Representatives Finnegan and Pine voted no.)

SCRep. 717-10 Transportation on S.B. No. 2449

The purpose of this bill is to make permanent the statutory requirements for provisional driver's licenses for persons who are at least 16 and less than 18 years of age, including, among other things, conditions under which:

- (1) A provisional licensee may transport passengers under the age of 18;
- (2) The provisional licensee must be accompanied in the vehicle by a licensed parent or guardian; and
- (3) The provisional licensee may drive to and from a place of employment or school-authorized activity without being accompanied by a licensed parent or guardian.

The Department of Transportation (DOT), Department of Health (DOH), Department of Customer Services of the City and County of Honolulu, State Farm Mutual Automobile Insurance Company, and Mothers Against Drunk Driving testified in support of this bill.

Research, studies, and statistics show that young, novice drivers have an extremely high crash risk with factors such as inexperience and immaturity being major contributors, especially at night. According to DOT, since Act 72, Session Laws of Hawaii 2005 (Act 72), more commonly referred to as Hawaii's Graduated Driver Licensing Law, went into effect requiring provisional driver's licenses for persons under the age of 18, the number of crashes involving 16 year olds decreased 27 percent with 66 fewer crashes occurring. For 17 year olds, the number of crashes decreased 14 percent with 52 fewer crashes being recorded. Furthermore, restrictions imposed for driving between 11:00 p.m. and 5:00 a.m. have resulted in 19 fewer crashes at night involving 16 and 17 year olds each year. Most importantly, since the enactment of the provisional licensing statutes, there has been a 60 percent reduction in the number of deaths among teens as a result of traffic collisions.

Unfortunately, Act 72 is currently scheduled to sunset on January 9, 2011. This sunset date was placed in Act 72 to give DOT and DOH adequate time to determine the effectiveness of this law through the collection, compilation, and analyses of traffic and accident data. Your Committee finds that the statistics presented by both DOT and DOH are compelling and making the provisions of Act 72 permanent will continue to increase highway safety and save lives.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2449 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Rhoads and Takumi.

SCRep. 718-10 Transportation on S.B. No. 2897

The purpose of this bill is to promote safety on Hawaii's roadways by enacting the recommendations of the Hawaii Ignition Interlock Implementation Task Force (Task Force) established under Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Prohibits an individual, who has been restricted to operating a vehicle with an ignition interlock device, from knowingly circumventing or tampering with the device to operate the vehicle, and provides for penalties for such a violation;
- (2) Prohibits individuals from knowingly assisting or abetting the circumvention or tampering of an ignition interlock device and provides penalties for such actions;
- (3) Provides for a definition of "valid license" and repeals the definition of "highly intoxicated driver";
- (4) Repeals evidence of intoxication parameters for highly intoxicated drivers;
- (5) Specifies that ignition interlock devices be certified by an independent laboratory to meet or exceed the guidelines published by the National Highway Traffic Safety Administration;
- (6) Provides for the annual auditing of the vendor selected for the installation and maintenance of ignition interlock devices by the Department of Transportation (DOT), and authorizes the Director of DOT to require the vendor to pay for all or part of the costs incurred in conducting the audit;
- (7) Requires a respondent to keep an ignition interlock device installed and operating in any vehicle the respondent operates during a revocation period if the respondent had a valid driver's license at the time of the arrest;
- (8) Requires a respondent to obtain an ignition interlock permit to operate a vehicle during the revocation period if the respondent had a valid license at the time of arrest;

- (9) Provides for notice of the date by which outstanding motor vehicle number plates must be surrendered, and that failure to surrender the plates as required is a misdemeanor offense;
- (10) Eliminates probationary provisions for convicted second and third offenders and provides for the existing practice of "proof of compliance" to be used for all convicted offenders; and
- (11) Provides for the loss of the privilege to operate a motor vehicle equipped with an ignition interlock device upon conviction of operating a vehicle after a license has been suspended or revoked for operating a vehicle under the influence of an intoxicant.

The Task Force, DOT, Department of the Attorney General, Department of Health, City and County of Honolulu Department of the Prosecuting Attorney, Honolulu Police Department supported this bill. Mothers Against Drunk Driving HAWAII testified in support of this bill with amendments. The Administrative Driver's License Revocation Office of the Judiciary provided comments.

Over the past several years, Hawaii has had high incidents of alcohol-related traffic fatalities. In 2005, Hawaii had the second highest percentage of alcohol-related traffic fatalities in the nation. In 2006, Hawaii's alcohol-related traffic fatality rate of 52 percent was the highest in the nation. Sadly, this trend appears to be continuing despite efforts to curb this type of behavior since, in 2008, 43 percent of drivers involved in traffic fatalities tested positive for alcohol. While enforcement of existing laws governing the operation of a vehicle under the influence of an intoxicant has had an impact on alcohol-related traffic fatalities, the Legislature determined that more needed to be done to substantially reduce the number of fatalities.

In response to alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 Legislative Session, calling for a working group to be formed to study the issue of ignition interlock devices and make recommendations leading to legislation. As a result, the Task Force was formed and presented its initial recommendations to the Legislature during the Regular Session of 2009. This measure is a continuation of the work of the Task Force for final implementation of the recommendations regarding the ignition interlock device programs.

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, may be one way to stop alcohol-impaired drivers from getting behind the wheel of their vehicles and would be another step toward stopping the senseless tragedies of alcohol-related traffic fatalities.

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

- (1) Clarifying what financial conditions must be met to receive assistance for the installation and the periodic calibration charges for ignition interlock devices; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives M. Lee, Rhoads and Takumi.

SCRep. 719-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2335

The purpose of this bill is to facilitate voting by military personnel and their families, as well as civilians who are overseas, by implementing the absentee voter provisions of the federal Military and Overseas Voter Empowerment Act (MOVE).

The Military Officers Association of America-Hawaii Chapter, American Civil Liberties Union of Hawaii, and Oahu Veterans Council supported this bill.

Among the provisions of MOVE contained in this bill is one that requires absentee ballots to be mailed to absent uniformed services voters and overseas voters no later than 45 days before the election. Your Committee notes that H.B. No. 2185, H.D. 1, which passed out of this committee earlier this session, pushes Hawaii's primary election back to an earlier date to allow compliance with the 45-day deadline.

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

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2335, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2335, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 720-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2169

The purpose of this bill is to prohibit the possession, sale, offering for sale, trade, or distribution of shark fins.

The Office of Hawaiian Affairs, Humane Society of the United States, Conservation Council for Hawaii, Shark Research Institute, Shark Savers, Shark Research Institute, Coalition to Protect Ocean Diversity, Iemanya Oceanica, Sierra Club-Hawaii Chapter, and numerous concerned individuals supported this bill. A concerned individual opposed this bill. The Department of Land and Natural Resources submitted comments.

Shark finning involves slicing the fins off of a shark and throwing the shark back into the ocean to die. This cruel and wasteful practice kills up to 70 million sharks a year. Shark finning is a major contributing factor to the global decline of shark species, which are apex marine predators that are vital to the regulation of the ocean ecosystem.

Hawaii currently prohibits the harvesting of shark fins in State waters unless the fins are taken from a fish brought to land whole. This bill would repeal the existing law and replace it with a prohibition on the possession, sale, or offering for sale, trade, or distribution of shark fins. The penalties for violation of the law -- a fine of \$5,000 to \$15,000, and forfeiture of the shark fins, commercial marine license, vessel, and fishing equipment -- would be changed by removing forfeiture.

Upon consideration, your Committee has amended this bill by:

- (1) Prohibiting the harvest, possession, sale, trade, transfer, or distribution of a shark or parts of a shark unless the shark is:
 - (A) Landed whole;
 - (B) Harvested under a commercial marine license or a noncommercial permit for bona fide research, propagation, or resource conservation; and
 - (C) Harvested in federal waters, on the high seas, or in state waters where shark fishing is permitted;
- (2) Specifying that information to be provided in connection with a noncommercial permit, includes among other things, the vessel registration number, location where the shark was caught, and a description of the shark;
- (3) Reinstating the penalty of forfeiture; and
- (4) Prohibiting under the Hawaii Food, Drug, and Cosmetic Act, the possession, sale, delivery for sale, holding for sale, or offering for sale of any shark fin or part of any shark fin.

Your Committee finds that a violation of the Hawaii Food, Drug, and Cosmetic Act is subject to a fine of \$500, imprisonment for a year, or both, and administrative penalties of not more than \$10,000.

Your Committee respectfully requests the Committee on Water, Land, and Ocean Resources to examine concerns that the exceptions added by your Committee should be narrowed to remove potential loopholes and strengthen the law.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2169, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2169, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 721-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2409

The purpose of this bill is to reduce hardships on holders of Marine Life Conservation District (MLCD) permits caused by changes in permit conditions by requiring these types of changes to be adopted pursuant to Chapter 91, Hawaii Revised Statutes (Chapter 91), rulemaking procedures.

Frogman Charters, Ocean Tourism Coalition, and Maui Classic Charters supported this bill. The Department of Land and Natural Resources (DLNR) and Fair Wind Cruises opposed this bill. The Nature Conservancy of Hawaii submitted comments.

In response to damage caused to the reef near Molokini Island by a commercial boat operator, DLNR imposed new conditions for permits to moor in the area. Due to a breakdown in communications, some companies were not given timely notice of some of the new conditions. The result is the present bill.

Your Committee finds that sufficient notice of proposed changes in permit conditions would allow commercial boat owners to discuss the new conditions with DLNR, prepare for compliance, and avoid unnecessary costs. While providing this notice, rulemaking procedures would also require a year or longer for any change in permit conditions, a delay that DLNR testified would be devastating to its ability to manage the MLCDs. DLNR also testified that in some cases permit conditions must be altered promptly without much notice, providing as an example, changes necessary for State risk management to avoid liability for injuries to persons or property due to litigation.

Upon reflection, your Committee has amended this bill by striking the reference to Chapter 91 rulemaking and requiring that DLNR, if at all possible, shall provide 90 days written notice of any change in MLCD permit conditions.

Your Committee respectfully requests the Committee on Water, Land, and Ocean Resources, to which this bill is next referred, to consider whether there are alternatives to the phrase "if at all possible," that would provide clearer standards for DLNR to follow, while providing necessary exceptions to the 90-day notice requirement.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2409, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 722-10 Health on S.B. No. 2885

The purpose of this bill is to improve and expand health care plan options in Hawaii by establishing the Health Savings Accounts Assessment Task Force (Task Force) to:

- (1) Study the current state of health savings accounts options in Hawaii's health insurance market;
- (2) Establish a plan of action to encourage and expand the use of health savings accounts in Hawaii;
- (3) Identify and recruit health plans that may help expand the availability of health savings accounts in Hawaii; and
- (4) Assess the potential economic impact, including costs and benefits, of expanding health savings accounts options in Hawaii, and estimate the potential savings for individuals and employers who are offered health savings accounts.

The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association supported this bill. The Hawaii Medical Association submitted comments.

Your Committee has amended this bill by:

- (1) Reducing the number of Task Force members from 20 to 11 members;
- (2) Replacing the representative from First Hawaiian Bank with a representative from the Hawaii Bankers Association;
- (3) Requiring that the Task Force also work to develop a way to implement flexible spending accounts for employee benefit programs that allow unspent funds in the account to carry over to the next year; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2885, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 723-10 Health on S.B. No. 2919

The purpose of this bill is to provide security for the Hawaii State Hospital, the State's secure psychiatric rehabilitation facility located in Kaneohe, beginning September 1, 2010, and to require the Department of Health to report to the Legislature on appropriate security measures and short- and long-range plans for the security of the increasing and aging forensic population of the Hawaii State Hospital.

The Hawaii Government Employees' Association and a concerned individual testified in support of this bill. The Department of Public Safety (PSD) opposed this measure.

The Hawaii State Hospital, which houses patients committed to institutionalization by the courts, has been experiencing numerous escapes and assaults on staff. Your Committee recognizes the concerns of PSD that it does not have the appropriate staffing or financial resources to provide security at the Hawaii State Hospital, and that when PSD previously assigned security officers to the Hawaii State Hospital, the officers guarded the entrance and perimeter and were not responsible for preventing patient assaults on hospital staff inside the hospital. Accordingly, your Committee has amended this bill by requiring PSD to support, but not provide, security for the Hawaii State Hospital.

This bill has also been amended by:

- (1) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2919, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2919, S.D. 1, H.D. 1, and be referred to the Committee on Public Safety.

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

SCRep. 724-10 Health on S.B. No. 2494

The purpose of this bill is to require health insurers to offer to continue coverage for certain prescription drugs that the insured's physician determines to be medically necessary when the insured changes insurers.

Mental Health America of Hawaii, American Cancer Society, The Alliance for Plasma Therapies, Neuropathy Action Foundation, Hawaii Medical Association, and a concerned individual testified in support of this bill. A concerned individual supported the intent of this measure. The Department of Commerce and Consumer Affairs, Department of Human Services, The Chamber of Commerce of Hawaii, Ohana Health Plan, Hawaii Medical Services Association, and Hawaii Association of Health Plans opposed this bill.

Your Committee has amended this bill by replacing its entire contents with House Bill (H.B.) No. 2461, House Draft (H.D.) 2. H.B. No. 2461, H.D. 2 differs by:

- (1) Limiting the scope of the prescription drug provisions to workers under the Employee-Union Health Benefits Trust Fund (EUTF) and requiring EUTF during enrollment periods to offer to continue the same prescription drug coverage for currently enrolled employee-beneficiaries and dependent-beneficiaries;
- (2) Retroactively applying the prescription drug provisions to EUTF open enrollment periods ending in 2009;
- (3) Eliminating the condition that the prescription drug coverage must be deemed medically necessary;
- (4) Prohibiting the Department of Health from requiring its approval for Medicaid or Quest health plans to deliver services through telehealth and in-person visits to qualify any telehealth service for coverage under these plans; and
- (5) Taking effect on July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2494, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 725-10 Health on S.B. No. 2599

The purpose of this bill is to provide for the early detection of colorectal cancer by requiring health insurers to cover colorectal cancer screening procedures graded A or B, including colonoscopy screening, by the United States Preventive Services Task Force.

The Office of the Auditor and the American Cancer Society testified in support of this bill. The Hawaii Medical Service Association supported this measure with amendments. Kaiser Permanente Hawaii supported the intent of this bill. The Hawaii Association of Health Plans provided comments.

Your Committee has amended this bill by deleting its substance and inserting the contents of House Bill No. 823, H.D. 2. Specifically, as amended, this bill requires:

- (1) Individual and group hospital and medical service contracts offered by mutual benefit societies subject to Article 1 of Chapter 432, Hawaii Revised Statutes (HRS);
- (2) Accident and health or sickness insurance contracts subject to Article 10A, Chapter 431, HRS, except those policies that only provide coverage for specific diseases or other limited benefit coverage; and
- (3) Every policy, contract, plan, or agreement issued by health maintenance organizations subject to Chapter 432D, HRS,

to provide coverage for colorectal-cancer screening by all A and B grade screening modalities as recommended by the United States Preventive Services Task Force, and starting on March 1, 2011, to inform their insured of the risk associated with undiagnosed colorectal cancer and encourage them to consult their physician about available screening options.

The bill further has an effective date of January 1, 2050, to encourage further discussion. In addition, technical, nonsubstantive amendments were made for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2599, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2599, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 726-10 Health on S.B. No. 2600

The purpose of this bill is to protect the health and safety of people needing respiratory care by establishing a licensure program for respiratory therapists in Hawaii.

The University of Hawaii John A. Burns School of Medicine, Hawaii Medical Association, Hawaii Society for Respiratory Care, and a concerned individual supported this bill. A concerned individual supported this measure with amendments. The Hawaii COPD Coalition and numerous concerned individuals supported the intent of this bill. A concerned individual opposed this measure. The Department of Commerce and Consumer Affairs (DCCA) and several concerned individuals submitted comments.

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

- (1) Specifying that a person working as, in training to become, or studying to become a sleep technologist or sleep technician, as defined by the American Association of Sleep Technologists, is exempt from the licensure requirements being established for respiratory therapists;

- (2) Requiring DCCA to begin collecting fees for licensure as of July 1, 2010, from respiratory therapists determined to be eligible for licensure, and credit those fees toward the license fees due for the period commencing July 1, 2011;
- (3) Changing the effective date to July 1, 2010, for the collection of fees and July 1, 2011, for the implementation of the licensure program; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2600, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2600, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 727-10 Health on S.B. No. 2529

The purpose of this bill is to, among other things, establish:

- (1) A system under the Department of Commerce and Consumer Affairs to collect, analyze, and distribute health insurance claims information; and
- (2) A Health Care Claims Uniform Reporting and Evaluation Task Force to review the policies and procedures of the health care claims uniform reporting and evaluation system.

The Hawaii Medical Association and Hawaii Health Information Corporation testified in support of this bill. Kaiser Permanente Hawaii opposed this measure. The Department of Budget and Finance, Hawaii Association of Health Plans, and Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that establish a system to collect, analyze, and distribute health insurance claims information; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2529, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2529, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 728-10 Health on S.B. No. 2726

The purpose of this bill is to amend the law governing time frames for fitness restoration for unfit persons charged with non-violent petty misdemeanors and non-violent misdemeanors.

Specifically, this bill establishes:

- (1) A 60 day maximum commitment for defendants charged with non-violent petty misdemeanors;
- (2) A 120 day maximum commitment for defendants charged with non-violent misdemeanors; and
- (3) Procedures for release and dismissal of charges or involuntary civil commitment, as necessary.

The Department of Health and Mental Health America of Hawaii testified in support of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu opposed this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2025, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2726, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2726, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 729-10 Housing on S.B. No. 2222

The purpose of this bill is to update proxy laws for planned community associations by conforming current provisions to comparable provisions regulating condominium association proxies.

A concerned individual supported this bill. Several concerned individuals supported this bill with amendments. The Mililani Town Association and Princeville at Hanalei Community Association opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing an authorized standard proxy form to include an option whereby the owner may grant a proxy to an association board as a whole so that the vote is to be made on the basis of the preference of the majority of the directors present at the meeting;
- (2) Changing the option on an authorized standard proxy form whereby the owner may grant proxy to those directors present at the meeting so that the vote is shared equally among the directors, to state that the vote will be shared equally among the candidates;
- (3) Stating that a parliamentarian shall not be required to be present at association and board of directors meetings; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2222, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 730-10 Education/Labor & Public Employment on S.B. No. 2124

The purpose of this bill is to restore the remaining public school instructional days for the 2009-2010 and 2010-2011 school years that would otherwise be lost to furloughs pursuant to a collective bargaining agreement with the Hawaii State Teachers Association. Specifically, this bill appropriates funds from the Hawaii Hurricane Relief Fund to the public schools, including a proportionate amount to charter schools, provided that:

- (1) The funds shall only be released upon completion of all negotiations of all parties necessary to execute the restoration of instructional days; and
- (2) The collective bargaining agreement contain a provision to relinquish at least one planning day for every two lost instructional days due to furloughs once the instructional days are restored.

The Hawaii State Teachers Association and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs; Board of the Hawaii Hurricane Relief Fund; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Association of REALTORS; and a concerned individual opposed this measure. The Department of Education, Charter School Administrative Office, and a concerned individual offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2124, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Awana, Hanohano, M. Lee, Manahan, Rhoads and Souki.

SCRep. 731-10 Education on S.B. No. 2709

The purpose of this bill is to contribute to the health of Hawaii's natural environment, as well as the safety of its students. Specifically, this bill includes:

- (1) The Design for the Environment Program of the United States Environmental Protection Agency; and
- (2) The EcoLogo Program administered by TerraChoice Environmental Marketing, Inc.,

as programs whose approved cleaning and maintenance products will be given first preference by public schools in the continuing effort to promote the purchase and use of environmentally-sensitive cleaning and maintenance products.

The Consumer Specialty Products Association testified in support of this bill. The Department of Health supported this bill with amendments. The Department of Education offered comments.

Your Committee has amended this bill by:

- (1) Deleting all references to the EcoLogo program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2709, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 732-10 Education on S.B. No. 2828

The purpose of this bill is to more effectively implement a method of financing in part, new or the expansion of existing Department of Education (DOE) educational facilities in partnership with developers of new residential development by clarifying the statutory provisions for school impact fees.

The Land Use Research Foundation of Hawaii testified in support of this bill. The Hawaii Developers' Council and Building Industry Association of Hawaii opposed this measure. DOE and the Charter School Administrative Office offered comments.

Due to the lack of, and need for, charter school facilities around the state, your Committee believes that charter schools should also be involved in discussions regarding school impact fees.

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

- (1) Replacing the definition of "recent school construction and site area averages" with the definition of "recent school site area averages", and within the new definition, specifying initial site area averages based on historic school construction data, rather than specifying historical average design standards based on existing school construction data;
- (2) Clarifying that "student generation rate" refers to public school students;
- (3) Removing the requirement that an analysis of proposed redistricting, and an analysis of appropriate school land area, other state lands, and enrollment capacity, be included in the impact fee analysis required of DOE upon the designation of a school impact district; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2828, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 733-10 Education on S.B. No. 2570

The purpose of this bill is to improve the accountability of Hawaii's public education system by proposing a constitutional amendment to Article X, section 2, of the Hawaii Constitution, to require the voting members of the Board of Education (BOE) to be appointed by the Governor, with the advice and consent of the Senate, from pools of qualified candidates presented to the Governor by the BOE Candidate Nomination Commission, as provided by law.

The Hawaii Business Roundtable, Hawaii Association of Independent Schools, and several concerned individuals testified in support of this bill. Hawaii's Children First supported the intent of this measure. BOE and the Hawaii State Teachers Association opposed this bill. The Governor's Administration offered comments.

Your Committee has amended this bill by replacing its contents with the language of H.B. No. 2376, H.D. 3. As amended, this bill:

- (1) Amends the Hawaii Constitution to require that the members of BOE be nominated and, by and with the advice and consent of the Senate, appointed by the Governor, as provided by law;
- (2) Removes the constitutional provision for the nonvoting student member of BOE;
- (3) Requires the question to be printed on the ballot to read, "Shall the members of the board of education be nominated and, by and with the advice and consent of the senate, appointed by the governor, as provided by law?"; and
- (4) Takes effect on July 1, 2020, and upon compliance with Article XVII, section 3, of the Hawaii Constitution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2570, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2570, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Manahan, Rhoads, Shimabukuro, Takai and Ching.

SCRep. 734-10 Education on S.B. No. 2571

The purpose of this bill is to improve the accountability of Hawaii's public education system by requiring the members of the Board of Education (BOE), except for the student member, to be appointed by the Governor, with the advice and consent of the Senate, from pools of qualified candidates presented to the Governor by the BOE Candidate Nomination Commission. This bill requires the Hawaii State Student Council to elect the student member, and also authorizes the student member to vote on certain BOE matters.

The Hawaii Association of Independent Schools, Hawaii Business Roundtable, and several concerned individuals testified in support of this bill. Hawaii's Children First supported the intent of this measure. BOE opposed this bill. The Governor's Administration; Hawaii State Teachers Association; and Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO offered comments.

Your Committee has amended this bill by replacing its contents with the language of H.B. No. 2377, H.D. 3. As amended, this bill, among other things, requires the members of BOE, including the student member, to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor from lists of qualified candidates presented to the Governor by the BOE Selection Advisory Council (Council).

Your Committee has further amended this bill by:

- (1) Requiring that all currently-serving BOE members be included in the lists of candidates to be presented to the Governor for the initial appointment of the members of BOE; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Manahan, Rhoads, Shimabukuro, Takai and Ching.

SCRep. 735-10 Human Services on S.B. No. 2226

The purpose of this bill is to help protect older members of the community by establishing a task force to develop an efficient and fiscally responsible process for creating and operating a facial recognition database to help locate missing or lost senior citizens.

The Policy Advisory Board for Elder Affairs; National Association of Social Workers, Hawaii Chapter; and several concerned individuals testified in support of this bill. The Department of the Attorney General and Honolulu Police Department opposed this measure.

Your Committee has amended this bill by:

- (1) Replacing the membership of the task force with the following:
 - (A) One member appointed by the Governor;
 - (B) One member appointed by the Speaker of the House of Representatives;
 - (C) One member appointed by the Senate President;
 - (D) The Director of Public Safety or the Director's designee;
 - (E) A representative from the Adult Residential Care Home Association;
 - (F) A representative from the Community Care Foster Home Association;
 - (G) A representative from AARP;
 - (H) The Director of the Executive Office on Aging or the Director's designee;
 - (I) The County Executive of the Elderly Affairs Division of the Department of Community Services of the City and County of Honolulu or the County Executive's designee; and
 - (J) A representative from the Honolulu Police Department;
- (2) Attaching the task force for administrative purposes to the Executive Office on Aging in the Department of Health rather than the Department of the Attorney General;
- (3) Inserting language that requires a power of attorney for a person 65 years of age or older to be witnessed by two witnesses who are not the named attorney-in-fact or related to the named attorney-in-fact and acknowledged by a notary public; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2226, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2226, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 736-10 Human Services on S.B. No. 2716

The purpose of this bill is to replace current child protective statutes with a new Child Protective Act that conforms to federal Title IV-E provisions.

The Department of Human Services (DHS) and Blueprint for Change testified in support of this bill. The National Association of Social Workers and Legal Aid Society of Hawaii supported this measure with amendments. The Judiciary provided comments.

Your Committee understands that social workers have been an integral part of the child welfare system and that a social work-educated workforce has been directly linked to better outcomes for children and families. Given that this bill currently contains no definition for "social worker," your Committee acknowledges the request of stakeholders to include amendments that:

- (1) Add a definition for "social worker";
- (2) Allow social workers other than those employed by DHS and its authorized representatives to be presumed qualified to testify as experts on child protective or child welfare services; and
- (3) Specify that any party may request the court to qualify a specific witness as an expert upon reasonable notice to all counsel, rather than just counsel for DHS and its authorized representatives.

Your Committee also acknowledges that this measure is the result of collaboration between several stakeholders and as not all stakeholders have had the opportunity to review these suggested amendments, respectfully requests subsequent Committees to consider them should they choose to hear this bill.

After careful consideration, your Committee has amended this bill by:

- (1) Clarifying the duties and responsibilities of a guardian ad litem with respect to representation of a child and an incapacitated adult;
- (2) Making the court's appointment of an attorney to represent an indigent legal parent permissive rather than mandatory;
- (3) Authorizing the court to appoint an attorney to represent another indigent party, if it is in the child's best interest;
- (4) Clarifying that a protective order will take effect upon service; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2716, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Nishimoto and Yamane.

SCRep. 737-10 Tourism, Culture, & International Affairs on S.B. No. 2601

The purpose of this bill is to regulate the practice of athletic training by requiring athletic trainers to register with the Department of Commerce and Consumer Affairs (DCCA).

The Occupational Therapy Association of Hawaii testified in support of this bill. The Department of Education, Hawaii Chapter – American Physical Therapy Association, and Hawaii Athletic Trainers Association supported this measure with amendments. DCCA's Professional and Vocational Licensing Division and the University of Hawaii System provided comments.

Your Committee has amended this bill by deleting its contents and replacing it with provisions that require the State Auditor to conduct a sunrise analysis of the licensure of athletic trainers.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2601, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 738-10 Higher Education on S.B. No. 2386

The purpose of this bill is to establish the University of Hawaii Capital Improvements Program Project Assessment Special Fund to defray costs in carrying out, among other things, capital improvement projects.

University of Hawaii System testified in support of this bill. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2386 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Manahan, Saiki, Shimabukuro and Takai.

SCRep. 739-10 Higher Education on S.B. No. 2389

The purpose of this bill is to enable the University of Hawaii (UH) to retain the flexibility to use different sources of UH funding to finance the establishment of new commercial enterprises by repealing the sunset date for the provision that allows UH to transfer certain funds into the UH Commercial Enterprises Revolving Fund.

UH testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2389 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Manahan, Saiki, Shimabukuro and Takai.

SCRep. 740-10 Higher Education on S.B. No. 2649

The purpose of this bill is to extend the expiration date of unencumbered appropriations to the University of Hawaii for the construction and repair of student housing.

University of Hawaii System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2649, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Manahan, Saiki, Shimabukuro and Takai.

SCRep. 741-10 Human Services on S.B. No. 2183

The purpose of this bill is to ensure that victims of domestic abuse are afforded continuous protection under restraining or protective orders issued by the court by authorizing a temporary restraining order to remain in effect for 90 days or until service of a protective order, whichever comes first.

The Prosecuting Attorney and Police Department of the City and County of Honolulu, County of Hawaii Police Department, and Hawaii State Coalition Against Domestic Violence testified in support of this bill.

Your Committee finds that a temporary restraining order remains in effect for up to 90 days, but becomes invalid if a protective order is issued by the court during that time. A protective order, however, is not fully effective until it is served on the respondent. Thus, if a petitioner is granted a protective order and the respondent is proficient at avoiding service, the petitioner is left without legal protection until the protective order can be served. This bill would strengthen legal protections for victims of domestic abuse by removing this loophole in the law.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2183, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Nishimoto and Yamane.

SCRep. 742-10 Human Services on S.B. No. 2076

The purpose of this bill is to foster institutional knowledge and continuity of the members on the State Commission on Fatherhood (Commission) by extending the term of each member from two to four years. This measure also limits service on the Commission to two terms.

The Commission, Hawaii Family Forum, and Hawaii Catholic Conference testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2076 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Nishimoto and Yamane.

SCRep. 743-10 Tourism, Culture, & International Affairs on S.B. No. 2143

The purpose of this bill is to preserve the fiscal stability of the State Foundation on Culture and the Arts (SFCA) by allowing moneys from the Works of Art Special Fund (Fund) to finance the personnel costs of administrative, grants, and contracts personnel of SFCA for a three-year period. This bill also:

- (1) Requires the Comptroller and SFCA Executive Director to submit annual reports regarding the calculation and setting aside of the one percent of capital improvement appropriations for deposit into the Fund; and
- (2) Repeals the requirement that the Comptroller provide information to agencies receiving capital improvement appropriations regarding items that shall be excluded from the one percent amount.

The SFCA and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Fund shall pay for the salary, wage, and fringe benefit costs of the SFCA Executive Director and any other SFCA employee;

- (2) Restoring the Comptroller's:
- (A) Input in selection of artists and the placement and acceptance of works of art; and
 - (B) Mandate to provide information to an agency receiving a capital improvement appropriation as to which construction cost items are excluded from the one percent of the appropriation that is required to be transferred to the Fund;
- (3) Deleting the requirement that the Comptroller and SFCA Executive Director shall annually report to the Legislature on information relating to the one percent requirement;
- (4) Changing the effective date to January 1, 2112, to encourage further discussion;
- (5) Extending the repeal date from June 30, 2013, to June 30, 2015; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2143, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2143, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 744-10 Consumer Protection & Commerce on S.B. No. 2772

The purpose of this bill is to include conduct or practice by a veterinarian contrary to principles of medical ethics of the veterinary profession, as adopted by the Hawaii Veterinary Medical Association (HVMA) and the American Veterinary Medical Association, as an action subject to revocation or suspension of a veterinary license, a fine, or both.

The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office, Board of Veterinary Examiners, Hawaii Board of Veterinary Examiners, HVMA, Hawaiian Humane Society, and a concerned individual testified in support of this bill. Poi Dogs & Popoki and several concerned individuals supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno and Wakai.

SCRep. 745-10 Judiciary on S.B. No. 2454

The purpose of this bill is to allow courts to charge fees, as established by court rules, for certified copies of pleadings, orders, transcripts, and other documents.

This measure also establishes an exemption from these fees for state agencies, subject to limitation by court rules.

The Department of the Attorney General supported this bill with amendments. The Judiciary provided written comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 746-10 Water, Land, & Ocean Resources on S.B. No. 1315

The purpose of this bill is to transfer the conservation and resources enforcement program from the Department of Land and Natural Resources (DLNR) to the Department of Public Safety.

For purposes of a public hearing, your Committee circulated a proposed H.D. 1 version that deletes the provisions of the bill and inserts new language from House Bill No. 2584, establishing the Conservation and Resources Enforcement Special Fund to be administered and expended by DLNR to enforce natural, cultural, and historic resources protection laws and rules.

DLNR, the Hawaii Government Employees Association, and The Nature Conservancy of Hawaii testified in support of the proposed H.D. 1 version of this bill. The Hawaii Boaters Political Action Association and a concerned individual opposed the proposed H.D. 1. The Department of Budget and Finance provided comments.

Your Committee finds that this measure is necessary for DLNR to accept private, multi-year grant-funding sources that will provide DLNR with additional financial resources to improve natural, cultural, and historic resources and public education and information, and to enhance enforcement operations. Accordingly, your Committee has amended this bill by adopting the language in the proposed H.D. 1.

This bill has been further amended by making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1315, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 747-10 Water, Land, & Ocean Resources on S.B. No. 2019

The purpose of this bill is to remove the 20-year limit on thrill craft and parasailing commercial operator permits.

Hawaiian Parasail Inc. testified in support of this bill. X-Treme Parasail, Inc., Diamond Head Parasail, Inc., and Diamond Head Parasail & Watersports, Inc., supported the intent of this measure. The Ocean Tourism Coalition supported this bill with amendments. The Department of Land and Natural Resources (DLNR), Sea Breeze Parasailing Co., Ltd., and a concerned individual provided comments.

Your Committee finds that to maintain the balance between allowing people to keep businesses into which they have made considerable investments, and giving people who want to enter the industry an opportunity to do so, it is necessary to provide for the disposition of permits that have been revoked by DLNR.

Your Committee has amended this bill by deleting its contents and inserting the substance of House Bill No. 2347, H.D. 2. Specifically, this bill as amended:

- (1) Inserts language requiring DLNR to offer by public auction, permits revoked for failure to meet the conditions of renewal; and
- (2) Removes the requirement for permit renewal that a permit holder be in compliance with any conditions required by DLNR in response to community or other complaints filed with DLNR.

Your Committee has further amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2019, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2019, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong, C. Lee, Luke, Morita and Thielen.

SCRep. 748-10 Water, Land, & Ocean Resources on S.B. No. 2441

The purpose of this bill is to protect the endangered Hawaiian monk seal from harassment and death, by establishing the crime of intentional or knowing taking of a Hawaiian monk seal as a class C felony.

Animal Rights Hawaii, Hawaii Audubon Society, Hawaiian Monk Seal Response Team of Oahu, The Humane Society of the United States, KAHEA, Save Our Seal Campaign, West Hawaii Humane Society, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported this measure with an amendment.

Your Committee has amended this bill by:

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

Concerns were raised regarding the fairness of the application of the provisions of this bill to situations where the initial aggressor is the monk seal rather than the human, and the prudence of elevating the penalties of so many crimes to felonies. Your Committee acknowledges these meritorious concerns, but recognizes that the provisions of this bill deserve further consideration, and accordingly respectfully requests the Committee on Judiciary to further contemplate and address these concerns.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2441, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 749-10 Judiciary on S.B. No. 2159

The purpose of this bill is to increase the fee for a traffic abstract from \$7 to \$10 and the amount of the fee deposited into the general fund from \$5 to \$8.

The Judiciary testified in support of this bill. Hawaii Insurers Council, State Farm Insurance Companies, Property Casualty Insurers Association of America, and United Services Automobile Association opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2159 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives B. Oshiro and Thielen.
(Representative Marumoto voted no.)

SCRep. 750-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 707

The purpose of this bill is to improve procedures for providing public, educational, and governmental access (PEG) programming in Hawaii by, among other things:

- (1) Codifying these procedures in statute;
- (2) Providing that requirements for the designation of PEG access organizations (access organizations) must be specified by rule;
- (3) Exempting the designation of access organizations from the Hawaii State Procurement Code (Procurement Code); and
- (4) Providing that upon termination of an access organization's contract with the State, any unspent PEG access funds, and any equipment and other property purchased with those funds, automatically reverts to the State.

Media Council of Hawaii, Akaku: Maui Community Television, and numerous concerned individuals supported this bill. PBS Hawaii and Olelo Community Media (Olelo) supported this measure with amendments. Community Media Producers Association opposed this bill. Comments were received from the State Procurement Office (SPO), Department of Commerce and Consumer Affairs (DCCA), Department of Accounting and General Services.

PEG access was created to provide a free-speech forum and originated in response to disenchantment with the commercial broadcasting system. Fees paid by cable subscribers fund PEG access organizations, which provide any combination of television production equipment, training, and airtime on a local cable system to allow members of the public, accredited educational institutions, and government to televise their message to the community.

DCCA designates PEG access organizations by contract. In recognition of the unique nature of PEG access services, DCCA requested an exemption from the competitive procedures of the Procurement Code, which SPO denied. In light of the unique role PEG access organizations play in providing a voice for the local community, and the community relationships built by PEG access organizations over time, this bill exempts the designation of PEG access organizations from the Procurement Code.

Your Committee finds that DCCA will continue to oversee PEG access organizations and ensure their accountability, as required by Chapter 440G, Hawaii Revised Statutes. In addition, your Committee has amended this bill to put into place a more stringent form of oversight for PEG access funds and property acquired with these funds.

These amendments address concerns that if property purchased with PEG funds were at contract's end required to automatically revert to the State without identification and designation of State property, this requirement might be challenged as a "taking." Thus, instead of the automatic reversion of property, this bill requires the DCCA Director, by contract, to:

- (1) Identify property held by the access organization to which the State retains title and establish the parties' obligations with respect to that property; and
- (2) Require the return of unobligated funds received under the contract upon termination or expiration of the contract, pursuant to the cost principles of section 103D-601, Hawaii Revised Statutes.

Your Committee respectfully requests the Committees on Legislative Management and Finance, to which this bill is next referred, to more closely examine the "takings" issue, which was raised by Olelo in verbal testimony.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 707, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 707, S.D. 1, H.D. 1, and be referred to the Committees on Legislative Management and Finance.

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

SCRep. 751-10 Public Safety on S.B. No. 2054

The purpose of this bill is to establish within the state Civil Defense Agency the position of Statewide Communications Interoperability Coordinator and to appropriate federal funds received from the homeland security grant program to fund this new position.

The Department of Defense testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2054, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 752-10 Public Safety on S.B. No. 2502

The purpose of this bill is to appropriate funds to the Hawaii Civil Air Patrol to continue its missions in Hawaii, including its tsunami warning operations.

Hawaii Wing Civil Air Patrol and several concerned individuals testified in support of this bill. The Department of Defense supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 753-10 Public Safety on S.B. No. 2702

The purpose of this bill is to allow federal reimbursements for disaster relief to be held in a trust account for future disaster relief.

The Department of Defense testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative M. Lee.

SCRep. 754-10 Energy & Environmental Protection/Housing on S.B. No. 2817

The purpose of this bill is to extend the time by which homeowners associations must adopt rules for the placement of solar energy devices to December 31, 2010, and to clarify that the rules may not impose restrictions or conditions that would:

- (1) Render a solar energy device more than 25 percent less effective;
- (2) Increase the cost of installation, maintenance, or removal by more than 15 percent; or
- (3) Require an encumbrance on title.

Hawaii Solar Energy Association and Blue Planet Foundation testified in support of this bill.

Your Committee finds that solar energy systems are an integral part of reaching Hawaii's clean energy goals and are becoming increasingly common. Solar is one of the most substantial and readily available forms of clean energy that is available in the state. This measure serves to eliminate obstacles for residents and therefore encourage continued widespread adoption of solar energy devices.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2817, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Ito, C. Lee and Ching.

SCRep. 755-10 Energy & Environmental Protection on S.B. No. 2357

The purpose of this measure is to require gas utilities in Hawaii to submit annual reports to the Public Utilities Commission that contain information on:

- (1) The ratio of petroleum and non-petroleum feedstocks used to produce natural gas, biogas, biofuel, or biofeedstocks sold in the State; and
- (2) The energy quantity of natural gas, biogas, biofuel, or biofeedstocks sold in the State and produced from petroleum and non-petroleum feedstocks.

This measure also requires the Public Utilities Commission to report to the Legislature regarding the ratio of petroleum and non-petroleum feedstocks used to produce natural gas, biogas, biofuel, or biofeedstocks sold in the State.

Your Committee received testimony in support of this measure from the Public Utilities Commission, Blue Planet Foundation, and the Sierra Club - Hawaii Chapter. The Gas Company submitted written comments on this measure.

Your Committee finds that it is in the best interests of the State to accurately measure all renewable resources that contribute towards reducing the State's dependence on imported petroleum. Your Committee finds that this data will assist in determining whether the State is making progress toward meeting its goal of a renewable energy portfolio standard of seventy per cent by 2020.

Your Committee has amended this measure by:

- (1) Amending the purpose clause in section 1 to clarify the intent of the measure;
- (2) Clarifying the frequency and due dates of the reports;
- (3) Clarifying that the reports contain information on the amount of fuels and feedstocks for use by the gas utility in the State;
- (4) Specifying that the Department of Business, Economic Development, and Tourism shall have access to confidential information provided by the gas utilities in their reports, the purposes for which that information may be used, and that confidentiality shall be protected; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2357, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2357, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 756-10 Transportation on S.B. No. 2461

The purpose of this bill is to continue to assist in the renovation and development of car rental customer facilities at Hawaii's airports by, among other things:

- (1) Providing the Department of Transportation (DOT) with greater flexibility in determining the rental motor vehicle customer facility charge (Customer Facility Charge);
- (2) Increasing the initial Customer Facility Charge from \$1 per day to \$4.50 per day beginning on September 1, 2010;
- (3) Stipulating that the minimum total collections for the charges of \$4.50 per day shall not be lowered by DOT for a minimum period of at least 20 years commencing on September 1, 2010, or until such time as necessary to pay any bonds or financial agreements issued or entered into to support or assist in meeting the use or purpose of the Rental Motor Vehicle Customer Facility Charge Special Fund (Special Fund);
- (4) Appropriating \$320,000,000 out of the Special Fund for fiscal year 2010-2011 for various airport rental car facility projects; and
- (5) Stipulating that any unexpended or unencumbered balance of any appropriation of Act 226, Session Laws of Hawaii 2008, (Act 226) as of the close of business on June 30, 2011, will lapse into the Special Fund.

DOT; Alamo Rent A Car; Dollar Thrifty Automotive Group, Inc.; Enterprise Rent A Car; National Car Rental; and The Hertz Corporation testified in support of this bill. Catrala-Hawaii supported this bill with amendments. The Tax Foundation of Hawaii provided comments.

The rental car industry plays a vital role in Hawaii's most important industry, tourism. To provide better service to customers renting vehicles at the state's airports, improvements need to be made to the many facilities located at the airports that serve rental car customers. Despite the substantial financial contributions rental car companies make to the state airports system, improvements of rental car facilities have not been high on the priority list for repair and improvements. As such, Act 226 was enacted to allow DOT to establish and collect car rental customer facility charges for deposit into a special fund to be used for these improvements.

While Act 226 provided funding to begin the fast-tracking process and for planning and design phases of projects, your Committee finds that the time has come to provide a source of funding that will generate sufficient revenues to fund the approximately \$500,000,000 in car rental facility projects statewide. By increasing the Customer Facility Charge, the fast-tracking of these projects can continue, which is predicted to result in construction cost savings of 30 percent to 40 percent and provide much-needed jobs during the economic downturn now gripping the state.

However, your Committee understands that this measure is a work in progress and that the car rental industry and DOT have continued discussions on how to improve this legislation to ensure that delays in airport projects do not occur. Your Committee has amended this bill by:

- (1) Allowing DOT to establish, levy, assess, and collect Customer Facility Charges without conducting a public informational hearing prior to implementing any changes;
- (2) Authorizing financing on a basis other than a long-term basis, where appropriate, for construction of rental motor vehicle facilities and other permitted uses when using Customer Facility Charges to pay for the financing;
- (3) Providing DOT with sole discretion and greater flexibility in determining the Customer Facility Charge;
- (4) Clarifying that DOT may not only contract, but may also negotiate, the operations of the rental motor vehicle facility and related services with not just one, but more than one, airport concessions that share in the use of a facility at a state airport;

- (5) Stipulating that any resolution or certificate authorizing any issue of bonds relating to the use of the Customer Facility Charge for an airport capital improvement program project approved by the legislature may establish other accounts within the Special Fund and require the transfer of the passenger facility charge into the other accounts to pay debt service on the related bonds;
- (6) Appropriating \$286,000,000 out of the Special Fund for fiscal year 2010-2011 for various airport rental car facility projects and programs, amending the scope of the projects and programs, and adding:
 - (A) The purchase, or reimbursement for the purchase, of land near the Lihue Airport, together with any supporting utility and utility allocation needs for those lands, for purposes of locating a consolidated rental motor vehicle facility; and
 - (B) The initial planning and design of a consolidated rental motor vehicle facility on lands at, or near, Lihue Airport;
- (7) Deleting the provision stipulating that any unexpended or unencumbered balance of any appropriation of Act 226, as of the close of business on June 30, 2011, will lapse into the Special Fund;
- (8) Changing the effective date to upon approval and stipulating that the abolishment of the \$1 daily charge shall not occur until September 1, 2010, when the new daily charge of \$4.50 takes effect; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2461, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Rhoads and Takumi.

SCRep. 757-10 Consumer Protection & Commerce on S.B. No. 2701

The purpose of this bill is to protect consumers by updating the laws regulating prepaid legal service plans by, among other things:

- (1) Adding definitions of "accumulation or payment of money", "accumulation funds", and "commissioner";
- (2) Deleting the exemption for insurers regulated under Chapters 431 and 432, Hawaii Revised Statutes;
- (3) Clarifying filing requirements;
- (4) Requiring the plan administrator to act as a trustee for funds collected by the plan and to maintain a trust account; and
- (5) Allowing the commissioner to suspend, revoke, or fine any plan that fails to comply with the law.

The Department of Commerce and Consumer Affairs testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno and Wakai.

SCRep. 758-10 Consumer Protection & Commerce on S.B. No. 2910

The purpose of this bill is to protect buyers of foreclosed property by prohibiting a foreclosing mortgagee or mortgagee who acquires a foreclosed property from requiring the buyer to purchase title insurance or escrow services from a particular vendor as a condition of sale.

Title Guaranty Escrow Services, Inc. testified in support of this bill. Hawaii Bankers Association provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2910 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Luke.

SCRep. 759-10 Consumer Protection & Commerce on S.B. No. 2399

The purpose of this bill is to protect the health and safety of amateur contestants in mixed martial arts (MMA) contests. Specifically, this bill:

- (1) Regulates amateur MMA by placing it under MMA regulation enforced by the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allows DCCA to delegate the control and supervision of amateur MMA contests to a recognized national amateur MMA association;

- (3) Exempts amateur MMA contestants from the licensing requirements; and
- (4) Requires amateur MMA contestants to pass a physical examination conducted by a licensed physician prior to engaging in an MMA contest.

DCCA testified in support of this measure.

Your Committee has amended this bill by replacing its contents with the provisions of its amended companion bill, H.B. No. 2639, H.D. 2, that your Committee reported out earlier this session. The amendments include:

- (1) Clarifying that amateur MMA contests shall not offer monetary compensation;
- (2) Requiring amateur MMA contestants to be at least 18 years of age;
- (3) Providing a definition of "professional mixed martial arts contestant";
- (4) Stipulating that amateur MMA contests are considered MMA contests by definition;
- (5) Removing the requirement that a licensed referee of an MMA contest has at least one year of experience in refereeing a match or exhibition;
- (6) Removing the requirement that a promoter of an MMA contest is solely responsible for the cost of providing a medical report of each contestant to the Director of DCCA prior to the contest;
- (7) Changing the event fees charged to a licensed promoter;
- (8) Requiring individuals to be at least 18 years of age to apply for a license as a professional MMA contestant;
- (9) Repealing additional surcharge fees charged to promoters during their license renewal period for deposit into the Compliance Resolution Fund; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2399, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno and Wakai.

SCRep. 760-10 Consumer Protection & Commerce on S.B. No. 2809

The purpose of this bill is to ensure the effective regulation of public utilities by appropriating funds sufficient for the operations and staffing of the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (Consumer Advocate) of the Department of Commerce and Consumer Affairs.

This bill also requires government agencies to assist in carrying out its purposes.

The Consumer Advocate, PUC, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Water Service Company, Inc., Blue Planet Foundation, Hawaii Transportation Association, Hawaii Energy Policy Forum, Sierra Club – Hawaii Chapter, Hawaii Solar Energy Association, and tw telecom testified in support of this bill. The Department of Human Resources Development (DHRD) provided comments.

Act 177 and Act 183, Session laws of Hawaii 2007, mandated the reorganization of PUC and the Consumer Advocate to ensure sufficient regulation of public utilities and effective advocacy for utility consumers. These efforts have recently become more important as the normal ongoing workload associated with regulating the various public utility industries has significantly increased due to clean energy initiatives that the State is actively pursuing, resulting in PUC dockets that are novel, complex, and resource-consuming. Your Committee finds that this bill provides the resources necessary for the PUC and Consumer Advocate to effectively regulate and oversee utility companies and ensure that they provide reliable and safe services that are in the public's interest.

Your Committee has amended this bill by clarifying:

- (1) Statements in the bill's preamble regarding the number of PUC staff positions lost due to budget reductions in fiscal year 2009-2010;
- (2) That government agencies shall also assist the Consumer Advocate, upon its request, in carrying out the purposes of this bill; and
- (3) That DHRD shall also cooperate with the Consumer Advocate, as the Consumer Advocate deems necessary, in establishing and amending job descriptions in a timely manner.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2809, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Luke.

SCRep. 761-10 Judiciary on S.B. No. 2661

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees.

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

Your Committee has amended this bill by:

- (1) Inserting the appropriation amounts for each of the claims;
- (2) Adding five newly resolved claims totaling an additional \$4,110,815.29, with \$3,985,815.29 to be appropriated from the general fund and \$125,000 to be appropriated from departmental funds;
- (3) Adding a new section to Part II to reflect the Department of Transportation, Highways Division, cases that were resolved; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

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

SCRep. 762-10 Higher Education on S.B. No. 2385

The purpose of this bill is to give the University of Hawaii (UH) the following forms of fiscal autonomy from the Comptroller beyond June 30, 2011, by:

- (1) Denying the Comptroller the authorization to have complete supervision over all of UH's accounts;
- (2) Allowing UH to install an accounting system designed for colleges and universities, instead of the system used by other state agencies;
- (3) Allowing UH to develop new and change existing business and accounting forms, without the prior approval of the Comptroller, except forms of statewide use in the State's accounting system; and
- (4) Allowing UH's chief financial officer, instead of the Comptroller, to approve the assignment of debt by UH's creditors.

This bill also, on a permanent basis, gives the Comptroller access to certain UH fiscal matters by:

- (1) Authorizing the Comptroller to require UH to provide information necessary for the Comptroller to prepare required financial statements; and
- (2) Requiring UH to report to the Comptroller no later than 15 days after the end of each quarter, all transactions relating to moneys held by UH outside of the State treasury.

The UH System testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Manahan, Saiki, Shimabukuro and Takai.

SCRep. 763-10 Higher Education on S.B. No. 2837

The purpose of this bill is to maintain a level of skill, abilities, and competencies recognized within the electrical industry by revising as of July 1, 2013, the minimum requirements for licensure of electricians.

The Board of Electricians and Plumbers, Electrical Contractors Association of Hawaii, and Hawaii Electricians Training Fund testified in support of this bill. The University of Hawaii (UH) community colleges offered comments.

Your Committee has amended this bill by:

- (1) Requiring satisfactory completion of any coursework requirements that is accepted by a UH community college offering an appropriate program of study, rather than only by Honolulu Community College;
- (2) Requiring applicants for the journey worker specialty electrician examination to have satisfactorily completed 120 hours, rather than 200 hours, of electrical academic coursework;

- (3) Requiring applicants for the maintenance electrician examination to have satisfactorily completed at least 80 hours, rather than 40 hours, of electrical academic coursework; and
- (4) Requiring applicants for the journey worker industrial electrician examination to have satisfactorily completed 200 hours, rather than 100 hours, of electrical academic coursework.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2837, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2837, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Bertram, Manahan, Saiki, Shimabukuro and Takai.

SCRep. 764-10 Higher Education/Judiciary on S.B. No. 2387

The purpose of this bill is to allow the University of Hawaii (UH) to more efficiently establish fees for campus parking by exempting the adoption of such fees from the public notice, public hearing, and gubernatorial approval requirements of Hawaii's administrative procedures law.

The UH System testified in support of this bill. The Associated Students of UH at Kauai Community College, Common Cause Hawaii, and many concerned individuals opposed this measure. A concerned individual offered comments.

Your Committees urge UH to consider all means of soliciting student input, including working directly with students, as it adopts rules relating to the assessment of the parking fees.

As affirmed by the records of votes of the members of your Committees on Higher Education and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2387, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Carroll, Manahan, McKelvey, B. Oshiro, Shimabukuro and Thielen. (Representatives Belatti, Berg, Hanohano, Luke, Saiki, Takai, Wakai and Pine voted no.)

SCRep. 765-10 Housing on S.B. No. 2277

The purpose of this bill is to make the Hawaii Public Housing Authority's (Authority) eviction procedure more efficient by:

- (1) Requiring the Authority to provide a tenant delinquent in rent payments with written notice in accordance with federal requirements;
- (2) Repealing most procedural requirements preliminary to an eviction hearing including, among other things, a meeting with the tenant and the provision of a sample letter for demanding a grievance hearing; and
- (3) Clarifying that eviction hearings for federal low-income housing shall be conducted by an eviction board.

The Authority and a concerned individual testified in support of this bill. The American Civil Liberties Union of Hawaii opposed this measure.

Your Committee notes that state law currently imposes requirements for eviction procedures that go above and beyond federally-mandated regulations. The current system of notices, warnings, waiting periods, and delays is duplicative and unnecessarily long, particularly given that the eviction process, in practice, does not begin until a tenant is seriously delinquent and has been uncooperative with the Authority's attempts to remedy the situation.

Your Committee has amended this bill by:

- (1) Replacing the eviction board with a hearings officer appointed by the Authority; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2277, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2277, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 766-10 Housing on S.B. No. 2575

The purpose of this bill is to help reduce real estate speculation by imposing an anti-speculation capital gains tax on the net capital gains realized by the sale of real property held for 24 months or less, with certain exceptions.

Community Alliance Partners testified in support of this measure. The Department of Taxation, Hawaii Association of REALTORS, and Alexander and Baldwin, Inc., opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the distribution of realized tax revenues from equal amounts to be deposited in the Rental Housing Trust Fund and the general fund to:
 - (A) 75 percent to be deposited into the Rental Housing Trust Fund; and
 - (B) 25 percent to be deposited into the general fund;
- and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke and Ching.
(Representative Thielen voted no.)

SCRep. 767-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2831

The purpose of this bill is to make permanent the requirements for withholding payment to a subcontractor effectuated by Act 175, Session Laws of Hawaii 2009.

The State Procurement Office, General Contractors Association of Hawaii, Ralph S. Inouye Co. Ltd., and Building Industry Association of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 768-10 Human Services on S.B. No. 2368

The purpose of this bill is to help provide continuity and stability to children by permitting the Family Court to award reasonable visitation to grandparents upon consideration of certain factors and if denial of visitation would cause significant harm to the child.

Parents for Righteousness testified in support of this bill. The American Civil Liberties Union of Hawaii provided comments.

Your Committee notes that in 2007, the Hawaii Supreme Court declared in *Doe v. Doe*, 116 Hawaii 323, (2007), that certain provisions of section 571-46.3, Hawaii Revised Statutes, are unconstitutional and noted that legislative action is necessary to correct those provisions.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying that there must be clear and convincing evidence that denial of reasonable visitation rights would cause significant harm to the child;
- (2) Including an unspecified required minimum age of the child for the grandparent to petition for visitation;
- (3) Including the following additional factors the court may consider when ruling on the petition:
 - (A) Whether the grandparent was a primary caregiver for the child and if so, for how long;
 - (B) The amount of visitation time requested and the potential for adverse impact on the child's customary activities;
 - (C) The child's preference, if the child is of sufficient age to state a preference;
 - (D) The physical and mental health of the child and the grandparent;
 - (E) The good faith of the grandparent and the parent or custodian denying visitation; and
 - (F) Any other factor that establishes that the loss of relationship between the grandparent and the child is likely to harm the child's mental, physical, or emotional health;
- (4) Clarifying that the court may consider the prior relationship between the child and the grandparent;
- (5) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee also notes the suggestion that the Legislature consider extending familial rights to all Hawaii's families, particularly hanai families and gay and lesbian parents who are unable to exercise the same rights and responsibilities as those given to their married counterparts. Your Committee respectfully requests that subsequent Committees consider this suggestion should this measure be heard as it falls outside of this Committee's purview.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2368, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Nishimoto and Yamane.

SCRep. 769-10 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 2957

The purpose of this bill is to expedite the development of projects that protect, preserve, or enhance native species, native habitat, or native ecosystem function by:

- (1) Exempting those projects to protect, preserve or enhance native species, habitat or ecosystem function and that are approved by the Department of Land and Natural Resources (DLNR) from the requirement of preparing an environmental assessment (EA); and
- (2) Establishing the process to approve and exempt a project from the EA requirements, including the contents of a request for exemption, publication requirements, and the period in which the request must be acted upon by DLNR.

The Nature Conservancy of Hawaii, Land Use Research Foundation of Hawaii, and PAHIO Development, Inc. supported this bill. The Outdoor Circle, Hawaii Audubon Society, Sierra Club – Hawaii Chapter, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, and a concerned individual opposed this measure. DLNR and a concerned individual submitted comments.

Your Committees find that certain projects that are specifically developed and carefully designed to address significant threats to and degradation of the state's natural environment, should not be subjected to regulatory burdens that consume time and limited financial resources that are better spent on protecting coral reefs, forests, and wetlands from invasive species, pollution, over-use, and the effects of climate change.

Your Committees have amended this bill by:

- (1) Deleting the process to approve and exempt a project from the EA requirement, leaving the approval of DLNR and the description of the types of projects that should be exempted;
- (2) Inserting a findings and purpose section to, among other things, elucidate the types of projects that should be exempt from preparation of an EA;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2957, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2957, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

SCRep. 770-10 Education on S.B. No. 2117

The purpose of this bill is to repeal the School-Level Minor Repair and Maintenance Account and reporting requirements and instead require the Department of Education (DOE) to annually report to the Director of Finance and Legislature the amount of funds in the School-Level Minor Repair and Maintenance Special Fund that will carry over to the next fiscal year.

DOE testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2117, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 771-10 Education on S.B. No. 2172

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Kaimuki Christian School (KCS) with the planning, construction, improvement, and equipping of its educational facilities.

The Hawaii Association of Independent Schools, KCS, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2172, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 772-10 Education on S.B. No. 2256

The purpose of this bill is to allow the Department of Education to assess fees for parking on roadways and in parking areas under its jurisdiction.

The Board of Education testified in support of this bill. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2256, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 773-10 Education on S.B. No. 2349

The purpose of this bill is to allow home-schooled students who meet certain requirements to participate in extracurricular activities offered at the public schools that they would otherwise be required to attend.

DOE and several concerned individuals testified in support of this bill. The Athletic Directors and Coaches Association of Hawaii and the athletic directors of several public schools opposed this measure.

Your Committee requests that DOE consider the concerns that were expressed regarding the logistics of implementing the provisions of this bill.

Your Committee has amended this bill by:

- (1) Changing all references to "extracurricular" to "co-curricular";
- (2) Deleting the definition of a co-curricular activity as a school-authorized or education-related activity occurring during the regular instructional school day;
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2349, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2349, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 774-10 Education on S.B. No. 2470

The purpose of this bill is to ensure that students have a sufficient amount of classroom time, especially in light of the instructional days lost due to furloughs, by establishing a minimum of 200 days of classroom instruction, or an equivalent number of instructional hours, per school year for public schools, including charter schools.

The Department of Education, Hookakoo Corporation, and several concerned individuals testified in support of this bill. A concerned individual supported this bill with amendments. The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; Hawaii Association of Independent Schools, and several concerned individuals supported the intent of this measure. The Charter School Administrative Office and Hawaii State Teachers Association offered comments.

Your Committee has amended this bill by replacing its contents with the language of H.B. No. 2486, H.D. 2. As amended, this bill establishes a minimum number of instructional hours per school year, which varies by grade level, beginning with the 2011-2012 school year.

Your Committee has further amended this bill by:

- (1) Excluding charter schools from the minimum requirement;
- (2) Inserting a definition of "instructional hours"; and
- (3) Inserting purpose language.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2470, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2470, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Rhoads, Shimabukuro, Takai and Ching.

SCRep. 775-10 Education/Higher Education on S.B. No. 2257

The purpose of this bill is to enable the Department of Accounting and General Services (DAGS), University of Hawaii, and the Department of Education (DOE) to accept electronically mailed warrant vouchers, bills of materials, and other supporting documents as original documents.

DOE and High Technology Development Corporation testified in support of this bill. DAGS supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2257, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 776-10 Education/Higher Education on S.B. No. 2115

The purpose of this bill is to:

- (1) Require the Department of Education (DOE) to conduct proposed payment preaudits only on payments of \$10,000 or more;
- (2) Require the University of Hawaii (UH) and DOE to preaudit a sample population of at least an unspecified percentage of proposed payments of less than \$10,000; and
- (3) Extend the fiscal autonomy previously granted to UH and DOE until June 30, 2015.

DOE testified in support of this bill.

Your Committees have amended this bill by:

- (1) Specifying that for UH's and DOE's preaudits of sample populations for proposed payments of less than \$10,000, the sample size shall be at least five percent of the population; and
- (2) Extending until June 30, 2020, the date until which DOE shall have autonomous authority over its accounting system.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2115, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2115, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 777-10 Education/Labor & Public Employment on S.B. No. 2591

The purpose of this bill is to improve the policies and operations of the Hawaii Teacher Standards Board (HTSB) by implementing the recommendations made to the Legislature by the Legislative Reference Bureau, University of Hawaii, and HTSB, regarding HTSB. Specifically, this bill:

- (1) Requires HTSB to include expenditure information in its annual report;
- (2) Authorizes HTSB to delegate to its executive director or other designee certain powers and duties it deems reasonable and proper;
- (3) Adds additional licensure renewal requirements and requires verification that a license holder meets the renewal requirements;
- (4) Requires HTSB to review the implementation of revised license fee collections and determine whether fees should be raised;
- (5) Requires HTSB to develop a comprehensive plan for transferring nonessential functions and duties to other agencies;
- (6) Requires HTSB to review its teacher license renewal process; and
- (7) Requires HTSB and the Department of Education to clarify their respective powers, duties, and responsibilities, and the relationship between the two agencies.

HTSB testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2591, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Hanohano, Manahan, Rhoads and Souki.

SCRep. 778-10 Education/Labor & Public Employment on S.B. No. 2346

The purpose of this bill is to authorize the Hawaii Teacher Standards Board (HTSB) to delegate certain duties to HTSB's executive director or other designee so that routine license applications can be approved in a timely manner. This bill also sets forth discretionary functions that may not be delegated, that result in a final decision that is related to:

- (1) Adopting, amending, or repealing rules;
- (2) Ordering disciplinary action against a licensee; and
- (3) Granting or denying permits or licenses that require the exercise of HTSB's expertise and discretion.

HTSB testified in support of this bill with amendments.

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

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2346, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2346, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Hanohano, Manahan, Rhoads and Souki.

SCRep. 779-10 Education/Labor & Public Employment on S.B. No. 2873

The purpose of this bill is to exempt Department of Education (DOE) teachers from the Code of Ethics to allow teachers to provide private instruction or tutoring, for compensation, to current, future, or former students when special circumstances exist, such as the furlough of teachers or the lengthy illness of a student.

DOE and a concerned individual testified in support of this bill. The Hawaii State Ethics Commission opposed this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2873, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana, Hanohano, Manahan, Rhoads and Souki.

SCRep. 780-10 Energy & Environmental Protection on S.B. No. 2563

The purpose of this bill is to help achieve energy independence by setting a goal of using alternative fuels to meet 30 percent of highway fuel demand by 2030.

The Department of Business, Economic Development, and Tourism (DBEDT) supported this bill with amendments.

Your Committee acknowledges DBEDT's reservations that limited resources and other program demands inhibit its ability to administer the program requiring solar water heater systems for new single-family residences. Your Committee finds, however, that transferring the variance application process to the counties as DBEDT requested will substantially diminish the effectiveness of the statewide strategy to promote renewable energy, particularly with respect to residential solar water heater systems, which are a major component in that strategy.

Accordingly, your Committee has amended this bill by requiring the Director of DBEDT to impose and collect fees, to be deposited into the energy security special fund, to cover the cost of administering the residential solar water heater system program.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2563, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2563, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, C. Lee and Ching.

SCRep. 781-10 Labor & Public Employment on S.B. No. 2565

The purpose of this bill is to extend the deadline for the Hawaii Civil Rights Commission (HCRC) to complete its rulemaking process to conform state-law protections against disability discrimination to the federal Americans with Disabilities Act Amendments Act of 2008 (ADAAA), as required under Act 30, Special Session Laws of Hawaii, 2009 (Act 30).

HCRC, the Disability and Communication Access Board, and a concerned individual testified in support of this bill.

Act 30 required HCRC to adopt administrative rules to conform state disability discrimination laws to federal law. However, HCRC has been notified that the United States Equal Employment Opportunities Commission (USEEOC), the agency authorized to promulgate federal regulations implementing ADAAA, has not completed its rulemaking process and is unlikely to do so prior to July 1, 2010. As a result, it would be impossible for

HCRC to comply with the requirements of Act 30. Because of this delay by USEEOC, your Committee finds that providing HCRC with additional time to complete its rulemaking process is necessary.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2565, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 782-10 Labor & Public Employment on S.B. No. 2325

The purpose of this bill is to address concerns regarding unlicensed activities on construction job sites. This bill ensures the presence of licensed workers by requiring that:

- (1) Licensed electrical, plumbing, and elevator mechanic workers shall wear their licenses issued by the Department of Commerce and Consumer Affairs (DCCA) at the job site;
- (2) Individuals who do not display their licenses be counted as being unlicensed for purposes of fulfilling the requirement that at least half of all workers performing electrical, plumbing, or elevator mechanic work at the job site be licensed; and
- (3) At least half of all individuals performing elevator mechanic work on the job site be licensed.

The Department of Labor and Industrial Relations, DCCA's Regulated Industries Complaints Office, Hawaii State AFL-CIO, International Brotherhood of Electrical Workers Local Union 1186, Hawaii Electricians Training Fund, ThyssenKrupp Elevator Company, Contractors License Board, Elevator Mechanics Licensing Board, Electrical Contractors Association of Hawaii, Otis Elevator Company, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill.

Current Hawaii law requires that individuals practicing in the plumbing and electrical trades pass an examination to be eligible for licensure. This is due to the highly skilled, and at times, dangerous nature of these trades.

Current law also requires that at least half of all individuals performing electrical or plumbing work employed on a construction job site by an electrical or plumbing contractor be licensed to practice that particular trade. Yet, this same requirement does not apply to elevator mechanics who are the only additional trade that would be involved in the construction industry that requires licensure. This measure addresses this issue.

However, none of these licensed workers are required to display their license on their persons while working. Because of this, homeowners, inspectors, and government agencies are having difficulty identifying and distinguishing licensed workers from unlicensed workers. This makes the task of determining compliance with the ratio of licensed to unlicensed tradesmen performing electrical or plumbing work on a construction job site requirement arduous.

While this measure addresses licensure identification and ratio requirements for licensed to unlicensed individuals performing work at construction sites, your Committee has been informed that elevator companies already have ratio requirements established in collective bargaining agreements and that establishing a separate ratio requirement would supersede these agreements. Accordingly, your Committee has amended this measure by stipulating that elevator mechanics are exempt from the ratio requirements if they are subject to a collective bargaining agreement that already addresses this issue.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2325, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2325, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 783-10 Labor & Public Employment on S.B. No. 2175

The purpose of this bill is to ensure fair representation on the membership of the Board of Trustees of the Employer-Union Health Benefits Trust Fund (Board) by requiring that one public employer member on the Board be appointed by the Hawaii Council of Mayors to represent the counties.

The Hawaii Council of Mayors and Hawaii State Association of Counties testified in support of this bill. The Department of Human Resources Development and Department of Budget and Finance testified in opposition to this measure. The Hawaii Government Employees Association provided comments.

Although the current representation on the Board is established in such a way to ensure that a balance exists between members representing the interests of both public employers and employees, current Board membership lacks county representation. As counties contribute a considerable share to EUTF costs and their employees and retirees are members of the EUTF, it seems only fair that some form of county representation be established on the Board.

While your Committee is aware that another measure is currently making its way through the legislative process that seeks to overhaul the Board and would make this legislation unnecessary, this measure deserves further consideration and should continue to be discussed.

Your Committee has amended this bill by:

- (1) Changing its effective date to upon approval; and

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2175, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 784-10 Labor & Public Employment on S.B. No. 2174

The purpose of this bill is to ensure fair representation of the membership of the Employees' Retirement System (ERS) by including county representation on the membership of the Board of Trustees of the ERS (Board).

The Hawaii Council of Mayors, Hawaii Government Employees Association, and Hawaii State Association of Counties testified in support of this bill. The Department of Budget and Finance testified in opposition to this measure. The Board provided comments.

Current representation on the Board is established in such a way as to ensure that a balance exists between members representing the interests of both public employers and employees. However, current Board membership lacks county representation. As counties contribute a considerable share to the ERS costs and their employees and retirees make up a large portion of the ERS membership, it seems only fair that some form of county representation be established on the Board.

However, your Committee finds that simply replacing a public member of the Board with a member appointed by the Council of Mayors to represent the counties may cause an imbalance in membership. Your Committee also notes the concerns raised by the Board that the county member, if appointed as a trustee, represents the entire membership and not just the counties. Furthermore, your Committee is in agreement that the trustee appointed by the Council of Mayors should be confirmed with the advice and consent of the Senate, similar to how those trustees appointed by the Governor are confirmed. Accordingly, your Committee has amended this bill by:

- (1) Increasing the membership of the Board to ten members with an additional member who is appointed by the Council of Mayors and an additional member who is a current member of the system who is a general employee;
- (2) Requiring that the member appointed by the Council of Mayors be subject to confirmation by the Senate in the same manner as trustees appointed by the Governor and clarifying that this member does not simply represent the counties; and
- (3) Retaining the public membership of the Board at three.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2174, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 785-10 Labor & Public Employment on S.B. No. 2691

The purpose of this bill is to streamline the processing of retirement benefits and provide cost savings to the State by authorizing, beginning March 1, 2011, all retirees and beneficiaries of the state Employees' Retirement System (ERS) to be paid by direct deposit.

The ERS; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers testified in support of this bill.

According to the ERS, requiring all ERS beneficiaries who do not currently use direct deposit to have their benefits directly deposited to their financial institution instead of receiving paper checks will save approximately \$32,000 each year. Your Committee finds that even greater streamlining and costs savings can be achieved if payments are made monthly rather than semi-monthly. The costs savings resulting from these changes could then be used toward increasing ERS' investment earnings.

Accordingly, your Committee has amended this bill by requiring that payments to beneficiaries be made on a monthly, rather than semimonthly basis. Technical, nonsubstantive amendments have also been made for clarity, consistency, and style.

Your Committee notes that concerns were raised that the changing of payment methods to retirees may present a financial burden to older retirees. Therefore, the ERS is strongly encouraged to clearly inform those affected by these changes well in advance of the change.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2691, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2691, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 786-10 Labor & Public Employment on S.B. No. 2394

The purpose of this bill is to increase the decision-making authority of employee beneficiaries of the State's Deferred Compensation Plan by:

- (1) Altering the composition of the Board of Trustees of the Deferred Compensation Plan (Board) by making the Director of Human Resources Development (Director) an ex officio member and not requiring the Director to be the chairperson;
- (2) Increasing the number of elected public employees who represent employee interests from three to five; and
- (3) Requiring that the five public employees be elected, rather than nominated, subject to the advice and consent of the Senate, and appointed by the Governor.

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

The current composition of the Board requires that only three of the seven trustees be public employees. This provides public employees with a minority voice on the Board even though funds of public employees are deposited into the State's Deferred Compensation Plan. Restructuring the Board to increase public employee membership will provide employee-beneficiaries with increased decision-making authority over the operations of the Deferred Compensation Plan.

However, your Committee finds that appointment, rather than election, of public employee members to the Board may be a better alternative and result in more qualified individuals being placed on the Board. Accordingly, your Committee has amended this bill by deleting the provision requiring the public employee members of the Board be elected by employee-beneficiaries and that the Board adopt rules to carry out these elections.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 787-10 Labor & Public Employment on S.B. No. 2549

The purpose of this bill is to support workforce and economic development and assist unemployed individuals, especially during these difficult economic times, through, among other things, the allocation of Reed Act moneys out of the Unemployment Insurance Trust Fund (UI Trust Fund). Specifically, this bill:

- (1) Amends the appropriation of Reed Act moneys to the Workforce Investment Boards on the islands of Oahu, Maui, Kauai, and Hawaii;
- (2) Amends the appropriation of Reed Act moneys to be used by the Workforce Development Council; and
- (3) Repeals the appropriation of Reed Act moneys allocated to the Department of Labor and Industrial Relations (DLIR) for administrative expenses.

The Office of the Mayor of the County of Hawaii; Goodwill Industries of Hawaii, Inc.; Hawaii Island Workforce & Economic Development Ohana; Going Home Consortium; ALU Like, Inc. – Employment and Training Program; 12-Mile Kumiai Association-Kurtistown; and numerous concerned individuals testified in support of this bill. The Workforce Development Council (WDC) supported the intent of this measure. DLIR opposed this bill.

The Reed Act is a provision in the Social Security Act that provides for the distribution of federal unemployment tax funds to state unemployment programs in the event that excess unemployment tax revenues are collected. In the 1990s, the federal government distributed Reed Act moneys to the states, with Hawaii receiving approximately \$30 million.

In 2006 and 2007, the Legislature appropriated \$10 million in Reed Act moneys for workforce and economic development purposes. By all accounts provided by the various stakeholders, these moneys were well spent and went a long way to accomplishing the goals of the WDC. However, more needs to be done.

Your Committee does note the concerns raised by DLIR that available moneys in the UI Trust Fund for the purposes of this bill may be non-existent prior to the enactment of this legislation. Nevertheless, this matter deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2549, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 788-10 Labor & Public Employment on S.B. No. 2626

The purpose of this bill is to improve the efficiency and cost-effectiveness of state government services and to gather information to provide adequate agency funding by:

- (1) Temporarily lengthening the initial probation period from six months to 12 months for persons occupying a position that is exempt from civil service who then either transfers into a civil service position or is hired in a civil service position within 90 days of their departure from their non-civil service position to ensure that the individual possesses the necessary skill, knowledge, and expertise to carry out their duties; and
- (2) Requiring every state agency to report to the Legislature all non-civil service, temporary employees employed by the agency for each quarterly period of the fiscal year.

The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO; and a concerned individual testified in support of this bill. The Judiciary, Department of Education, and Department of Human Resources Development testified in opposition to this measure. United Public Workers Local 146 provided comments.

It is always important for government to operate in the most efficient, cost-effective manner as possible, especially during economically difficult times. Quarterly reporting of non-civil service temporary employees employed by every agency will enable the Legislature to make informed decisions and analyze budget constraints on the financial resources of the State more precisely and assist in evaluating the human resource needs of each agency.

Your Committee also finds that the use of shortened probationary periods and continual extension of the contracts of temporary, or emergency hires, can create an inherent risk for inefficiencies, ineffectiveness, or ineptness in the delivery of critical services and functions of state government.

While your Committee understands that several valid concerns have been raised by those opposed to this bill, the importance of improving the efficiencies and effectiveness of state government provides the basis to warrant further consideration of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2626, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 789-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2699

The purpose of this bill is to establish time limits to restore forfeited chiropractic examiner, real estate salesperson, and real estate broker licenses.

The Department of Commerce and Consumer Affairs, Hawaii Real Estate Commission, and Board of Chiropractic Examiners, and Hawaii Association of REALTORS testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2699, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Luke.

SCRep. 790-10 Legislative Management on H.R. No. 21

The purpose of this resolution is to ensure that the Child Support Enforcement Agency (CSEA) is helping families by promoting family self-sufficiency and child well-being. This measure seeks to find ways to reduce CSEA's caseworker-to-caseload ratio by requesting the Auditor to conduct a financial and management audit of that agency.

The Department of the Attorney General offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 21 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 791-10 Legislative Management on H.C.R. No. 61

The purpose of this concurrent resolution is to ensure that the Child Support Enforcement Agency (CSEA) is helping families by promoting family self-sufficiency and child well-being. This measure seeks to find ways to reduce CSEA's caseworker-to-caseload ratio by requesting the Auditor to conduct a financial and management audit of that agency.

The Department of the Attorney General offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 792-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 65

The purpose of this resolution is to request and support congressional and state funding for broadband infrastructure in rural areas from the federal stimulus grants authorized by the American Recovery and Reinvestment Act of 2009 to promote economic development, educational opportunities, and increased access to healthcare.

A concerned individual supported this resolution with amendments.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 65 and recommends that it be referred to the Committee on Finance.

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

SCRep. 793-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 117

The purpose of this concurrent resolution is to request and support congressional and state funding for broadband infrastructure in rural areas from the federal stimulus grants authorized by the American Recovery and Reinvestment Act of 2009 to promote economic development, educational opportunities, and increased access to healthcare.

A concerned individual supported this concurrent resolution with amendments.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117 and recommends that it be referred to the Committee on Finance.

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

SCRep. 794-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 123

The purpose of this concurrent resolution is to recognize aerospace as a high priority for innovation and development and request the state to work to explore and promote opportunities to expand and diversify aerospace-related activities in Hawaii by, among other things:

- (1) Developing Hawaii as an international center for facilitating multinational partnerships for space exploration;
- (2) Concentrating on K-12 education and university-based STEM education and training for the future workforce;
- (3) Establishing Hawaii as an Asia-Pacific hub for advanced aviation training and NextGen technology development; and
- (4) Realizing Hawaii's full potential as a global leader in commercial space transportation.

The University of Hawaii System; University of Hawaii at Hilo; University of Hawaii at Hilo Conference Center; Hawaii Academy of Science; High Technology Development Corporation; Enterprise Honolulu; Lockheed Martin; Maui Economic Development Board; Mars Institute; The Aerospace States Association; Pacific International Space Center for Exploration Systems; Space Foundation; JAMSS America, Inc.; Real World Design Challenge; Japan-United States Science, Technology & Space Applications Program; Artemis Innovation Management Solutions LLC; BAE Systems SSL; Pacific Aviation Museum Pearl Harbor; Economic Strategies LLC; and several concerned individuals testified in support of this concurrent resolution. The Department of Business, Economic Development, & Tourism supported the intent of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123 and recommends that it be referred to the Committee on Finance.

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

SCRep. 795-10 Energy & Environmental Protection on S.B. No. 2231

The purpose of this bill is to support the deployment of electric vehicles and the infrastructure for such vehicles in Hawaii by exempting the sale or lease of electric vehicles and electric vehicle charging stations from general excise tax for the period starting on July 1, 2010, and ending on January 1, 2015.

Hawaiian Electric Company and Better Place Hawaii testified in support of this bill. Blue Planet supported this bill with amendments. Tax Foundation of Hawaii provided comments.

Your Committee notes that encouraging widespread availability of electric vehicles and electric vehicle infrastructure would benefit the transportation industry by promoting the Hawaii Clean Energy Initiative's goal of 70 percent clean energy by 2030. At the same time, the measure would help in reducing Hawaii's dependence on imported oil and increase Hawaii's energy security.

Your Committee has amended this bill by:

- (1) Moving up the excise tax exemption to the period starting July 1, 2010, and ending on January 1, 2014;

- (2) Prohibiting declarations, contracts, and other binding agreements from preventing the owner of a parking stall in a multi-family residential dwelling or townhouse project from installing an electric vehicle charging system (charging system) at or near the owner's parking stall;
- (3) Requiring that rules adopted by homeowners associations relating to the placement and use of charging systems must be reasonable; provided that the rules cannot prohibit charging systems;
- (4) Providing various restrictions, conditions, and requirements relating to the installation of charging systems;
- (5) Changing the effective date to upon its approval; and
- (6) Making technical nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2231, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2231, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 796-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2020

The purpose of this bill is to continue to provide relief to small business lessees under Act 189, Session Laws of Hawaii 2009, (Act 189) which clarified standards for the renegotiation of commercial or industrial leases that require that rent be "fair and reasonable," by extending the sunset date of this Act from June 30, 2010, to June 30, 2015.

Grace Pacific Corporation; GP Roadway Solutions; Oahu Metal & Supply, Ltd.; Bacon Universal Company, Inc.; Jack Endo Electric, Inc.; Plywood Hawaii; Big Rock Manufacturing, Inc.; Citizens for Fair Valuation; Inter-Island Solar Supply; Mutual Plumbing Supply Co., Inc.; Electricians, Inc.; and many concerned individuals supported this bill. The Hawaii Association of REALTORS, Land Use Research Foundation of Hawaii, and HRPT Properties Trust opposed this bill.

Act 189 was enacted to protect the State's interest in the continued viability of small businesses located within or adjacent to the State's primary urban center. These businesses are needed at their present location to keep the State's economy stable, make their goods and services readily available to area residents, and reduce commute times and costs for both area residents and the owners and employees of these businesses.

Act 189 applies to contracts that contain the terms "fair and reasonable" in reference to renegotiated lease rent. The Act addresses concerns that the lessor is asking unreasonably high new rents at twice the market rate, and using the high costs of arbitration to force small business lessees to accept these terms without electing arbitration.

The Act clarifies "fair and reasonable" by requiring that the renegotiated rent be fair and reasonable to both the lessor and the lessee, and taking into account the circumstances of the lease, including the use of the leased property, the surface and subsurface characteristics, and the surrounding neighborhood on the renegotiation date.

Act 189 is scheduled to sunset on June 30, 2010. However, not all of the leases containing the terms "fair and reasonable" have been renegotiated, and the last of these leases is scheduled to be reset in 2013. Therefore, your Committee has amended this bill by changing the sunset date of Act 189 to June 30, 2014, to allow the Act to expire one year after renegotiation of the last lease commences.

Your Committee recognizes that in at least one case, the professional appraisal performed during the arbitration of leases affected by this Act established a fair and reasonable rate of rent that helped the parties to the arbitration reach final agreement. Your Committee finds that there should be consideration of a procedure by which appraisals are used as a basis for rent renegotiation before the costs of arbitration are incurred.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2020, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 797-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2843

The purpose of this bill is to honor American prisoners of war and military personnel who are missing in action by requiring the National League of Families' Prisoner of War/Missing in Action flag to be flown under the United States flag at buildings under the jurisdiction of the State Department of Defense.

The Chamber of Commerce of Hawaii and a concerned individual supported this bill. Meadow Gold Dairies supported the intent of this bill. The Oahu Veterans Council (OVC) and several concerned individuals opposed this bill in its current form and requested amendments to restore the original intent of the bill.

Your Committee has amended this bill by:

- (1) Including the State Capitol as one of the buildings at which the POW/MIA flag must be flown; and

- (2) Requiring the POW/MIA flag to be flown on six days: Armed Forces Day, Memorial Day, Flag Day, Independence Day, National POW/MIA Recognition Day, and Veterans Day.

Your Committee finds that flying the POW/MIA flag is a small way in which the State can recognize the tremendous sacrifices of members of the Armed Forces, and families of members of the Armed Forces who are, or were, prisoners of war or missing in action.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2843, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 798-10 Energy & Environmental Protection on S.B. No. 1675

The purpose of this measure is to allow existing net-metered energy customers to remain with their present net metering program in the event that the Public Utilities Commission develops alternate programs for those customers.

After due consideration, your Committee conducted a hearing on a proposed draft that deleted the contents of the measure and instead provided a general excise tax exemption for nonprofit organizations that install renewal energy technology systems for their exclusive use.

Your Committee received testimony in support of the proposed draft of the measure from the Department of Business, Economic Development, and Tourism, the Hawaiian Electric Company, Central Union Church, and a concerned citizen. The Department of Taxation testified in opposition to the measure. The Tax Foundation of Hawaii commented on the measure.

Your Committee finds that a tax incentive for the installation of renewable energy technology systems is currently provided by the State through the renewal energy technologies income tax credit in section 235-12.5, Hawaii Revised Statutes. However, nonprofit organizations that are exempt from income taxation are denied the benefit of the tax credit because of their exempt status.

To remedy this inequity, this measure provides a tax incentive to nonprofit organizations by providing an exemption from the general excise tax paid by these organizations for certain revenue-generating activities. The general excise tax exemption will be limited to a percentage of the actual cost, up to a specified amount, of the nonprofit organization's cost of installing an eligible renewable energy technology system. It is the intent of your Committee, however, to restrict the general excise tax exemption to revenue generating activities that benefit the public and not include those that are merely recreational in nature or that do not further the public good.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1675, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Chong, Ito and Sagum.

SCRep. 799-10 Consumer Protection & Commerce on S.B. No. 2921

The purpose of this bill is to increase consumer protections and help ensure consistency for all entities performing escrow services relating to Hawaii real property by requiring the entity operating as an escrow depository for property located in the state to be licensed by the Commissioner of Financial Institutions.

Title Guaranty Escrow Services, Inc., supported this bill with amendments. The Department of Commerce and Consumer Affairs opposed this measure.

Escrow transactions involve large sums of money and the handling of documents affecting title to real property. Since escrow companies have fiduciary responsibilities toward the parties involved in these transactions, there are certain laws and regulations in place meant to protect these parties. Escrow transactions concerning Hawaii real property, therefore, should be handled by escrow depositories licensed in the state and subject to state regulations. Current statutes, however, do not apply to those escrow depositories that are located out-of-state. Your Committee finds that this bill will help remedy this situation by providing consistent regulation for all real property within the state regardless of the location of escrow depositories.

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

- (1) Restoring language that prohibits the transaction of business under any name, title, or descriptive term containing the words "escrow", "escrow depository", or any word or phrase having the same or similar meaning by any person not licensed or exempt under state escrow depository regulations; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2921, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2921, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno and Wakai.

SCRep. 800-10 Consumer Protection & Commerce on S.B. No. 2165

The purpose of this bill is to ensure the competency and professionalism of security guards by establishing, effective July 1, 2013, educational, criminal history, and training requirements for guards and individuals acting in a guard capacity.

The Chief of Police for the County of Kauai and two concerned individuals testified in support of this bill. A concerned individual supported this measure with amendments. The Board of Private Detectives and Guards (Board), Retail Merchants of Hawaii, and a concerned individual opposed this bill. The University of Hawaii Community Colleges and a concerned individual provided comments.

Security guards provide critical protection for Hawaii's citizens by monitoring, patrolling, and inspecting property to protect against fire, theft, vandalism, and illegal activity. Given their essential role in protecting persons and property, your Committee finds it is important for those providing guard services to have appropriate vetting and training. This bill establishes registration requirements for those in the guard industry to improve the quality of security guard services throughout the state.

Your Committee further notes that at its public hearing on this bill, there was discussion as to whether this measure applies to bouncers employed at, for example, nightclubs. The relevant law under Chapter 463, Hawaii Revised Statutes, defines the term "guard" as "a licensed uniformed or nonuniformed person responsible for the safekeeping of a client's properties and persons within contractually prescribed boundaries..." It therefore appears that the provisions of this bill apply to the extent that there are bouncers whose work duties reflect this definition.

Your Committee has amended this bill by:

- (1) Providing that the classroom instruction required by this bill must be provided by an employee, manager, or owner of a guard agency or other qualified third party if their course of study meets curricula approved by the Board. The Board must establish the course curricula by January 1, 2013;
- (2) Eliminating the requirement of eight hours of classroom instruction within the first six months of employment;
- (3) Lowering from eight hours to four hours, the amount of classroom instruction required annually;
- (4) Restoring the licensing requirements for guards under existing law. Licensed guards would still need to meet the requirements for registration applicable to non-licensed guard agency employees acting in a guard capacity; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2165, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Luke.

SCRep. 801-10 Consumer Protection & Commerce on S.B. No. 2220

The purpose of this bill is to improve enforcement of contracting laws by establishing a Construction Site Inspection Task Force (Task Force) to analyze the feasibility and potential complications of investigating and inspecting construction sites for unlicensed contractors, undocumented workers, and workplace safety violations. This bill requires the Task Force to submit a report to the 2011 Legislature.

The General Contractors Association of Hawaii and Subcontractors Association of Hawaii testified in support of this bill. The Contractors License Board supported the intent of this measure. The Department of Commerce and Consumer Affairs and Department of Labor and Industrial Relations (DLIR) offered comments.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 2899, H.D. 1, which was reported out earlier by your Committee. As amended, this bill:

- (1) Changes the focus of the Task Force to one of actively addressing the problem rather than evaluating and discussing ways to improve the process;
- (2) Inserts the contents of this bill in Chapter 444, Hawaii Revised Statutes;
- (3) Eliminates two state departments and three divisions from DLIR from representation on the Task Force;
- (4) Requires the Task Force to facilitate and encourage the development and sharing of information by participating agencies necessary to combat unlicensed contractor activity;
- (5) Authorizes the formation of joint enforcement teams to conduct inspections of sites suspected of engaging in unlicensed contractor activity;
- (6) Deletes the requirement that the Task Force evaluate the need to enter property at reasonable times and without prior notice to investigate and inspect construction sites, and gives the Task Force the authority to do so;
- (7) Requires the Task Force to submit annual reports to the Legislature; and
- (8) Provides for a \$20 increase in Compliance Resolution Fund fees paid by licensed contractors to fund the operations of the Task Force.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2220, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno and Wakai.

SCRep. 802-10 Labor & Public Employment on S.B. No. 2883

The purpose of this bill is to protect the rights and benefits of employees by specifying that, with regard to an employer's sick leave benefits, policies, or provisions, when a conflict exists between a collective bargaining agreement and any rules or policies adopted by the employer, the terms of the collective bargaining agreement shall prevail.

The Hawaii State AFL-CIO, International Brotherhood of Electrical Workers (IBEW), IBEW Local 1260, IBEW Local 1357, Hawaii Government Employees Association, Hawaii Laborers' Union, and United Public Workers testified in support of this bill. The Department of Labor and Industrial Relations, Chamber of Commerce of Hawaii, Hawaiian Telcom, and Starwood Hotels and Resorts Worldwide, Inc., testified in opposition to this measure. The Office of Collective Bargaining and General Contractors Association offered comments.

Programs such as the Workers' Compensation Program and Temporary Disability Insurance laws were enacted to afford certain protections for ill or injured workers. However, no public policy exists to protect the use of sick leave for illnesses of a non-chronic and short-term nature although most employers do offer sick leave as an employee benefit.

Your Committee has been informed that some companies, although they do provide sick leave benefits, have developed company rules or policies that severely limit the legitimate use of sick leave and that employees have been disciplined, reprimanded, and suspended from employment for the legitimate use of sick leave. However, your Committee also recognizes that abuse of sick leave does occur and that those individuals who abuse an employer's sick leave policy do not deserve the same protections as those legitimately ill employees who use accrued and available sick leave offered by their employers.

While the legitimate use of sick leave should not result in negative actions taken against an employee, the necessity of statutorily establishing provisions stipulating that a collective bargaining agreement takes precedence over an employer's policy is unclear as an employer's policy should be established in accordance with a collective bargaining agreement. Accordingly, your Committee has amended this bill by replacing its substance with the substance of H.B. No. 2935, H.D. 1. As amended, this measure protects employees by making it an unlawful practice for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee legitimately uses accrued and available sick leave.

Your Committee has further amended this bill by clarifying that an employee must legitimately use accrued and available sick leave to be protected by the provisions of this bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2883, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

SCRep. 803-10 Labor & Public Employment on S.B. No. 2884

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs contained in the agreement with the exclusive bargaining representative for the employees in collective bargaining unit (10). Specifically, this bill funds the EUTF costs of:

- (1) Employees of collective bargaining unit (10) for fiscal biennium 2009-2011; and
- (2) State officers and employees who are excluded from collective bargaining, authorized by Chapter 89C, Hawaii Revised Statutes (HRS).

The United Public Workers testified in support of this bill. The Department of the Attorney General (AG) testified in opposition to this measure. The Department of Budget and Finance (B&F) provided comments.

The current fiscal situation facing the State resulted in ongoing negotiations with the exclusive bargaining representative of the various public sector collective bargaining units over salaries and benefits. Although the parties involved with the negotiations concerning bargaining unit (10) reached agreement on numerous issues through the arbitration process, they were unable to resolve differences concerning the contribution amounts paid by the employers (State and counties) toward health benefit plan costs. While current law allows negotiations over these amounts to occur, it also prohibits the use of binding arbitration to resolve disputes relating to employer contributions to the EUTF.

Since the parties are at an impasse with regard to the employer contributions, pursuant to section 89-11(g), HRS, the parties are required to submit their respective contribution recommendations to the Legislature for action.

However, your Committee understands that members of bargaining unit (1), who are represented by the same bargaining representative as unit (10) employees, have reached an agreement and has amended this bill to also make it applicable to unit (1).

Your Committee has further amended this bill by:

- (1) Requiring the employer to pay 100 percent of the EUTF's monthly administrative fees;
- (2) Clarifying that funds not expended or encumbered by September 30, 2010, for fiscal year 2009-2010 rather than June 30, 2010, shall lapse as of that date to ensure that delays in the enactment of this bill do not result in the loss of employer contributions for fiscal year 2009-2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Yet, your Committee recognizes that public employees have faced an approximately 24 percent increase in health care premiums while also experiencing furlough days which have resulted in reduced salaries. Therefore, your Committee respectfully requests that the Committee on Finance consider a cost sharing split for health premium costs of 55 percent and 45 percent for employers and employees respectively when determining the exact amount of funds to be placed in this measure for the 2009-2011 fiscal biennium. Future percentage divisions for health premiums can be decided through collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2884, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 804-10 Agriculture on H.R. No. 40

The purpose of this resolution is to recognize February as "Hawaii-Grown Cacao Month," a month-long effort to educate and promote public awareness of the multiple benefits of Hawaii-grown cacao.

The Department of Agriculture, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Original Hawaiian Chocolate Factory, Dole Food Company, Padovani's Chocolates, Haleiwa Farmer's Market, the Representative of District 11, and several concerned individuals testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 40 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 805-10 Agriculture on H.C.R. No. 89

The purpose of this concurrent resolution is to recognize February as "Hawaii-Grown Cacao Month," a month-long effort to educate and promote public awareness of the multiple benefits of Hawaii-grown cacao.

The Department of Agriculture, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Original Hawaiian Chocolate Factory, Dole Food Company, Padovani's Chocolates, Haleiwa Farmer's Market, the Representative of District 11, and several concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 806-10 Human Services on H.R. No. 149

The purpose of this resolution is to convene a working group to further study the recommendations made by the SR 10 Working Group committees.

The National Association of Social Workers, Hawaii Chapter (NASW) and a concerned individual submitted testimony in support of this measure.

Your Committee notes that the SCR 52 Task Force explored the possibilities of making the Hawaii Family Court more efficient, accessible, and family-oriented. However, even after the Task Force's recommendations, many issues remained unresolved.

Therefore, due to these unresolved issues, your Committee urges that a working group continues forward to study issues, report, collaborate, and propose legislation regarding the Hawaii Family Court system. This new working group will be referred to as the Family Court Legal Interventions Working Group.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 149 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 807-10 Human Services on H.C.R. No. 220

The purpose of this concurrent resolution is to convene a working group to further study the recommendations made by the SR 10 Working Group committees.

The National Association of Social Workers, Hawaii Chapter (NASW) and a concerned individual submitted testimony in support of this measure.

Your Committee notes that the SCR 52 Task Force explored the possibilities of making the Hawaii Family Court more efficient, accessible, and family-oriented. However, even after the Task Force's recommendations, many issues remained unresolved.

Therefore, due to these unresolved issues, your Committee urges that a working group continues forward to study issues, report, collaborate, and propose legislation regarding the Hawaii Family Court system. This new working group will be referred to as the Family Court Legal Interventions Working Group.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 808-10 Human Services on S.C.R. No. 79

The purpose of this concurrent resolution is to urge the provision of orientation and additional training to increase the ability of state agency case workers to address the issues faced by grandparents raising grandchildren.

The Hawaii Family Forum, the Hawaii Catholic Conference, and a concerned individual submitted testimony in support of this measure.

Based on the results found by the Grandparents Raising Grandchildren Task Force, your Committee finds that frustration between DHS case workers and grandparents exist to some extent. The report showed a number of areas where there has been concern: little or no understanding of the role of DHS case workers by the grandparents, grandparents feeling intimidated and afraid of losing their grandchildren, no respect shown by DHS case workers for the grandparent/grandchild relationship, and no emotional support provided by DHS case workers.

Therefore, your Committee believes that additional training and orientation to increase the ability of State agency case workers to address the issues faced by grandparents who raise grandchildren is a critical plan to alleviate the frustration found on behalf of both the grandparents and the DHS case workers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79, S.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 809-10 Labor & Public Employment on H.R. No. 84

The purpose of this resolution is to urge the Department of Labor and Industrial Relations to meet or exceed occupational safety and health administration position benchmarks for workplace safety and health.

The Director of Government Relations Hawaii Laborers' Union, the Hawaii Government Employees Association, and the Hawaii Carpenters Union testified in support of this measure.

The Department of Labor and Industrials Relations provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 84 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 810-10 Labor & Public Employment on H.C.R. No. 145

The purpose of this resolution is to urge the Department of Labor and Industrial Relations to meet or exceed occupational safety and health administration position benchmarks for workplace safety and health.

The Director of Government Relations Hawaii Laborers' Union, the Hawaii Government Employees Association, and the Hawaii Carpenters Union testified in support of this measure.

The Department of Labor and Industrials Relations provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 811-10 Labor & Public Employment on H.C.R. No. 102

The purpose of this resolution is to express support for the enforcement of existing OSHA regulations on the use of hexavalent chromium and urging OSHA to develop safer alternatives and ban hexavalent chromium.

The Department of Labor and Industrial Relations testified in opposition of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 102 and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representative Pine.

SCRep. 812-10 Energy & Environmental Protection on S.B. No. 2709

The purpose of this measure is to strengthen the law that requires public school facilities to give first preference, where feasible, to the purchase and use of cleaning and maintenance products that are environmentally sensitive.

Specifically, the measure requires that public school facilities give preference to products that have been approved by the Design for the Environment program of the United States Environmental Protection Agency, along with the existing preference for products approved by the Green Seal program.

Your Committee finds that requiring Hawaii public school facilities to give preference to environmentally-sensitive cleaning and maintenance products will contribute to the health of Hawaii's natural environment as well as to the safety of its students.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2709, S.D. 1, H.D. 2.

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

SCRep. 813-10 Energy & Environmental Protection/Economic Revitalization, Business, & Military Affairs on S.B. No. 2559

The purpose of this measure is to prohibit certain businesses from distributing non-biodegradable single-use plastic checkout bags to their customers at the point of sale beginning January 1, 2012.

This measure would also establish penalties for violations and provide for injunctive and other relief. However, it would exempt sales of certain products and, for a limited time, entities for which the prohibition would cause undue hardship.

Your Committees distributed a proposed House Draft 1 that requires businesses to collect an offset fee for non-disposable checkout bags. Specifically, the proposed H.D. 1:

- (1) Makes amendments to the statement of purpose in section 1 to clarify the intent of the measure;
- (2) Beginning January 1, 2011, requires businesses to collect a five cent offset fee for each non-disposable checkout bag that is distributed to customers;
- (3) Requires businesses to remit each month to the Department of Health forty per cent of the offset fees collected during the previous month;
- (4) Requires offset fees collected by the Department of Health to be deposited into the general fund;
- (5) Specifies that the amount of offset fees retained by businesses are taxable revenue; and
- (6) Imposes fines for violations.

Your Committees received testimony in support of the proposed House Draft from Aloha Analytics, Conservation Council for Hawaii, Sierra Club - Hawaii Chapter, Surfrider Foundation, Zero Waste Kauai, and thirty-six concerned individuals. Your Committee received testimony in opposition to the proposed House Draft from the Department of Health, American Chemistry Council, and Petland, Inc. Written comments on the proposed House Draft were received from the Environmental Center at the University of Hawaii at Manoa Hawaii Food Industry Association, and Retail Merchants of Hawaii.

Your Committees find that disposable checkout bags are a threat to Hawaii's natural environment, because they pollute the oceans, endanger marine life, clog landfills with non-biodegradable waste, and require fossil fuels to manufacture. Your Committees find that more environmentally-friendly alternatives are readily available. Your Committees further find that the offset fee proposed by this measure provides a modest incentive to encourage consumers and businesses in the State to use environmentally-friendly reusable bags instead of disposable checkout bags.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that the definition of "disposable checkout bag" does not include plastic laundry bags provided by hotels to their guests and plastic bags containing fish or live animals, such as those provided by pet stores;
- (2) Providing that the measure preempts the power of the counties to regulate the use of disposable checkout bags; and
- (3) Increasing the amount of offset fees to be remitted to the department of health and deposited into the general fund from forty percent to sixty per cent.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2559, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2559, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 814-10 Housing on S.B. No. 2276

The purpose of this bill is to prohibit the possession of any open liquor container on public highways, public sidewalks, and sidewalks and common areas of a public housing project. This measure also establishes possession of an open liquor container as prima facie evidence that a person is consuming liquor.

The Hawaii Public Housing Authority, Honolulu Police Department, and several concerned individuals testified in support of this bill.

Your Committee finds that disruptive behavior, generally caused by drinking and primarily on the part of non-residents and visitors, is a problem in some public housing projects. Currently, the police are unable to arrest someone holding a container of liquor unless the police observe the person putting the container to their mouth or a witness is willing to testify. Your Committee feels that enhancement of current laws will help ameliorate the situation and provide additional protection to residents of public housing projects.

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

- (1) Inserting language to state that an unaccompanied guest of a public housing tenant who possesses an open liquor container or consumes any liquor while on any sidewalk or common area within a public housing project and remains unlawfully after a reasonable warning or request to leave by housing authority management or a police officer will also be considered to be trespassing; and
- (2) Inserting language to state that if a public housing tenant's guest is repeatedly found in possession of an open liquor container or consuming any liquor, that tenant may be subject to eviction.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2276, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2276, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 815-10 Housing on S.B. No. 2278

The purpose of this bill is to help provide additional protections for tenants of public housing projects by amending the criminal trespass statute to include entering or unlawfully remaining on the premises of any public housing project or state low-income housing project after receiving a reasonable warning or request to leave by housing authority management or a police officer.

The Hawaii Public Housing Authority (Authority) and several concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure. The Honolulu Police Department and American Civil Liberties Union of Hawaii opposed this bill.

Your Committee notes the Honolulu Police Department's concerns that this measure presumes that a representative from public housing would always be present to assist the police officer in determining the status of a possible trespasser while in most public housing complexes, there is no security or management representative on location making verification and enforcement difficult. However, your Committee also notes that the Authority is currently developing a program to train tenant monitors and some public housing projects already employ tenant monitors or additional security. These tenant monitors or additional security may be able to assist in the confirmation and enforcement of trespassing provisions to help provide additional security and protection for public housing residents.

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

- (1) Inserting language to state that unaccompanied guests of public housing tenants who violate any state law, county ordinance, or Authority rule will be considered to be trespassing if they remain on the premises after reasonable warning or request to leave;
- (2) Inserting language to state that public housing tenants whose guests repeatedly violate any state law, county ordinance, or Authority rule will be subject to eviction; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2278, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2278, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 816-10 Labor & Public Employment on S.B. No. 2050

The purpose of this bill is to assist injured workers in obtaining gainful employment by clarifying the steps that must be taken to develop a vocational rehabilitation plan under the workers' compensation law. Specifically, this measure requires a provider of rehabilitation services to determine if modified or other work with the injured worker's current employer represents suitable gainful employment under a rehabilitation plan.

The Department of Labor and Industrial Relations, ILWU Local 142, Hawaii Insurers Council, and Hawaii Injured Workers Alliance testified in support of this bill.

Employees experience injuries in the workplace each year in Hawaii. While many may be minor injuries, some require that an injured worker seek vocational rehabilitation to continue to be gainfully employed. The most logical and common sense approach to returning these injured workers into the workforce is to maintain the injured worker's employment with the same employer but in a new or modified job that is consistent with the worker's physical or mental limitations. This measure seeks to achieve this goal.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2050 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 817-10 Consumer Protection & Commerce on S.B. No. 2842

The purpose of this bill is to allow the establishment of perpetual trusts that are protected against federal estate taxes and the claims of certain creditors by:

- (1) Creating the Permitted Transfers in Trust Act (PTTA) to govern transfers of currency, bonds, and securities from a transferor to a trustee by means of an irrevocable trust instrument; and
- (2) Specifying that the rule against perpetuities does not apply to transfers pursuant to PTTA.

First Hawaiian Bank and Bank of Hawaii supported this bill with amendments.

Your Committee has amended this bill by replacing its contents with those of a similar bill, H.B. No. 2706, H.D. 1. Specifically, this measure has been amended by, among other things:

- (1) Adding definitions for the terms "cash" and "marketable securities";
- (2) Amending the definitions of:
 - (A) "Permitted property" to mean cash, marketable securities, life insurance contracts, and non-private annuities; and
 - (B) "Permitted trustee" to mean a person other than the transferor, who is a resident of Hawaii, or a bank or trust company authorized to do business in Hawaii and act as a trustee;
- (3) Replacing the term "perfected," which has a certain meaning under the Uniform Commercial Code, which is not applicable to this bill, with the term "completed";
- (4) Allowing the trustee to terminate the trust if the market value has declined to the extent it would be uneconomical, imprudent, or unwise to continue to retain the trust;
- (5) Allowing the transferor to direct that a determination is to be made by the advisor in the case of a dispute, deadlock, or difference of opinion between a permitted trustee and an advisor;
- (6) Providing that a permitted trustee shall be authorized to invest only in permitted property, as defined in this chapter, instead of in accordance with Chapter 554C, Hawaii Revised Statutes;
- (7) Providing that limits on actions by creditors to avoid permitted transfers shall not apply to a lender who extends a secured or collateralized loan to the transferor on the representation that the trust amounts would be security for the transferor's default on the loan;
- (8) Blanking out the tax on permitted transfers;
- (9) Removing the provision that the State will not levy any other taxes against trusts under the chapter;
- (10) Providing that a nongrantor trust is subject to Hawaii income tax unless there is no Hawaii beneficiary;

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno and Wakai.

SCRep. 818-10 Health on S.B. No. 2105

The purpose of this bill is to improve the administration of the parking program for persons with disabilities by, among other things:

- (1) Designating the Disability and Communication Access Board (DCAB) as the issuing agency for removable windshield placards, temporary removable windshield placards, special license plates, and identification cards;
- (2) Removing the specific reference to the counties as the issuing agency while maintaining DCAB's flexibility to contract with the counties to issue removable windshield placards, temporary removable windshield placards, special license plates, and identification cards on DCAB's behalf;
- (3) Allowing counties to retain any transaction fees charged for the issuance of placards, special license plates, and identification cards;
- (4) Extending the duration a removable windshield placard is effective from four to six years;
- (5) Providing for the issuance of a second removable windshield placard or temporary removable windshield placard upon request of the applicant and verification of the applicant's disability; and
- (6) Removing the reimbursement rate to the counties from statute and establishing it by administrative rule.

DCAB and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Customer Services of the City and County of Honolulu provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2105, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2105, S.D. 2, H.D. 1.

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

SCRep. 819-10 Health on S.B. No. 2267

The purpose of this bill is to ensure appropriate access to persons with disabilities and assist in identifying design flaws by providing the Disability and Communication Access Board (DCAB) with the authority to charge a review-process fee based upon estimated construction costs for a review of construction plans prior to commencing with construction as part of the design and construction process.

DCAB and several concerned individuals testified in support of this bill. The County of Hawaii Office of Housing and Community Development and the Building Industry Association of Hawaii testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2267, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 820-10 Health on S.B. No. 2490

The purpose of this bill is to appropriate funds from the Community Health Centers Special Fund (Special Fund) for use by community health centers and to direct the Governor and the Department of Health (DOH) to release the funds in the Special Fund for use in fiscal year 2010-2011.

The Kailua Neighborhood Board No. 31, Hawaii Primary Care Association, and The Chamber of Commerce of Hawaii supported this bill. DOH supported the intent of this measure. The Department of the Attorney General submitted comments.

Your Committee has amended this bill by:

- (1) Establishing an expenditure ceiling of \$15,000,000 for the Special Fund;
- (2) Providing that no other funding appropriated for expenditure by DOH may be released by the Governor prior to the release of the funds appropriated by this bill;
- (3) Deleting provisions that required the Governor to release funds in the Special Fund for use in fiscal year 2010-2011; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 821-10 Health on S.B. No. 2729

The purpose of this bill is to ensure that people are protected from vaccine-preventable diseases by authorizing the Department of Health (DOH) to establish and maintain a single repository of immunization records, to be known as the "Hawaii Immunization Registry", to aid, coordinate, and help promote efficient and cost-effective screening, prevention, and control of these diseases.

DOH, Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Primary Care Association, Hawaii Association of Independent Schools, Hawaii Association of Health Plans, Hawaii Medical Service Association, and Kaiser Permanente testified in support of this bill. The American Civil Liberties Union of Hawaii offered comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2729, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 822-10 Health on S.B. No. 2371

The purpose of this bill is to exempt limited benefit health insurance policies from provisions of the Insurance Code enacted after July 1, 2010, unless the provisions are expressly made applicable.

The American Council of Life Insurers and American Family Life Assurance Company of Columbus testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2371, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 823-10 Health on S.B. No. 2390

The purpose of this bill is to broaden opportunities to fulfill the practical-experience requirements for a pharmacist license by:

- (1) Allowing experience gained in the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa to count toward licensure;
- (2) Expanding the types of service and experience that count toward licensure;
- (3) Allowing practical experience completed under a licensed pharmacist to count toward licensure; and
- (4) Removing the requirement that service and experience required for licensure take place in a pharmacy.

The University of Hawaii at Hilo College of Pharmacy, Board of Pharmacy, Kaiser Permanente Hawaii, CVS Caremark/Longs Drugs, and several concerned individuals supported this bill.

Your Committee has amended this bill by adding the contents of H.B. No. 2464 H.D. 2, as part II of the bill. As amended, this bill also provides a pharmacist with the authority to administer immunizations to children at least nine years of age with parental consent and upon the Governor's determination of a public-health necessity.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2390, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2390, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 824-10 Health on S.B. No. 2102

The purpose of this bill is to require providers of accident and health or sickness, or disability insurance to base prescription drug coverage on a drug formulary or prior authorization requirement established and regularly updated by an affiliated drug formulary advisory board whose membership includes a majority of licensed Hawaii resident practitioners.

The Hawaii Medical Association testified in support of this bill. Ohana Health Plan, Hawaii Association of Health Plans, and Hawaii Medical Service Association opposed this measure. Kaiser Permanente Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2102, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2102, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 825-10 Health on S.B. No. 2163

The purpose of this bill is to assure that nurses at all levels are qualified and competent and that only qualified persons are permitted to engage in the practice of nursing by, among other things:

- (1) Defining the practice of nursing;
- (2) Directing the State Board of Nursing (BON) to adopt certain provisions of the National Council of State Board of Nursing Model Nursing Practice Act and Model Nursing Administrative Rules; and
- (3) Delineating the scope of practice for registered nurses, licensed practical nurses, and Advanced Practice Registered Nurses (APRNs), including specifying that, for purposes of the Uniform Controlled Substance Act, APRNs are not authorized to request, receive, or sign for professional controlled substance samples.

The University of Hawaii School of Nursing and Dental Hygiene, BON, Hawaii State Center for Nursing, Kaiser Permanente Hawaii, Hawaii Association of Professional Nurses, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Repealing the authority to procure or dispense drugs from an APRN's scope of practice; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2163, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2163, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 826-10 Health on S.B. No. 2898

The purpose of this bill is to update and modify the Diversion Program for Chemically Dependent Nurses to:

- (1) Allow the Board of Nursing (BON) to permit entities besides the Hawaii Nurses Association to provide services for the diversion program;
- (2) Update reporting and data bank maintenance provisions to reflect current practices and federal law; and
- (3) Permit disciplinary action against a nurse who is noncompliant with the diversion program.

The BON and Hawaii Government Employees Association supported this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by:

- (1) Providing that records of a nurse participating in a diversion program will not be excluded from discovery or subpoena by a law enforcement agency investigating the conduct of the nurse, BON, or Regulated Industries Complaints Office; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2898, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 827-10 Health on S.B. No. 2770

The purpose of this bill is to increase access to medication and pharmacy services in Hawaii's underserved and rural areas by eliminating restrictions on the types of pharmaceuticals dispensed from remote dispensing pharmacies (RDP).

Kaiser Permanente Hawaii and Hawaii Pacific Health testified in support of this bill. The Board of Pharmacy provided comments.

Your Committee has amended this bill by:

- (1) Restricting the use of RDPs to federally qualified health centers;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2770, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 828-10 Health on S.B. No. 2188

The purpose of this bill is to protect consumers by including teeth whitening in the definition of the practice of dentistry.

The Board of Dental Examiners, Hawaii Dental Association, and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs' Regulated Industries Complaint Office provided comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2188 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 829-10 Health on S.B. No. 2474

The purpose of this bill is to increase the chances of medical assistance being summoned to help an underage person when the person has become seriously ill from consuming liquor by:

- (1) Providing immunity from prosecution for consumption of intoxicating liquor by a minor if the minor summons medical treatment for another minor who requires such treatment as a result of consuming liquor; and
- (2) Specifying that immunity will apply to the intoxicated minor and one or two other minors assisting the summoning minor.

A concerned individual supported this bill.

Your Committee has amended this bill by making discretionary, rather than mandatory, the immunity to one or two other minors assisting the summoning minor. This will allow greater discretion on the part of law enforcement officials when reacting to the circumstances of the event.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2474, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2474, S.D. 1, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

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

SCRep. 830-10 Health on S.B. No. 2611

The purpose of this bill is to ensure a more equitable distribution of taxes among real property owners by:

- (1) Requiring the clerk and real property assessment division of each county, at agreed upon intervals, to provide a list of names of all registered voters and individuals receiving real property tax exemptions to the Department of Health (DOH);
- (2) Requiring DOH, upon receipt, to verify the date of death for any person on the list; and
- (3) Authorizing DOH to charge fees for verifications.

DOH, the City and County of Honolulu (C&C of Honolulu), County of Hawaii, County of Maui, and County of Kauai opposed this bill. The C&C of Honolulu Office of the City Clerk submitted comments.

Your Committee has amended this bill by replacing its substance with that of H.B. No. 2170, H.D. 1. As amended this bill:

- (1) Amends the law requiring DOH to submit a list of deaths of citizens of voting age to the county clerks, by adding the requirement that DOH, within six weeks of the last day of each month and at no charge, provide each county's real property assessment division with a list of all persons age 18 and older whose deaths were recorded by DOH during the previous month; and
- (2) Becomes effective on July 1, 2020.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2611, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2611, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 831-10 Judiciary on S.B. No. 2807

The purpose of this bill is to propose an amendment to Article VII, Section 6, of the Hawaii Constitution to amend the requirement that excess general fund revenues be returned to taxpayers of the State as a tax refund and instead allow the Legislature to deposit these excess revenues into an emergency and budget reserve fund as an alternative.

The Hawaii State Teachers Association and the Policy Advisory Board for Elder Affairs testified in support of this bill. The Office of the Governor, the Department of Budget and Finance, and the Tax Foundation of Hawaii provided comments.

Your Committee finds that although the Legislature is required to make a disbursement of funds when the provisions of Article VII, Section 6, of the Hawaii Constitution are met, the amount of the disbursement has always been a discretionary sum determined by the Legislature. The term "excess funds" jeopardizes the Legislature's discretion by possibly requiring that the Legislature disburse a fixed amount from the general fund.

Your Committee also finds that establishing one or more emergency funds by statute is preferable to establishing a fund by Constitution. The Legislature needs to retain the flexibility to establish multiple funds and rename them as it deems necessary.

Your Committee notes the Governor's testimony, which provides an alternative triggering mechanism for funding an emergency fund. The Governor proposes that the requirement to transfer funds from the general fund to an emergency fund be triggered whenever general fund revenues for each of two successive fiscal years exceeds revenues for each of the preceding fiscal years by five percent. The Governor's proposal also requires that five percent of the general fund balance be transferred to an emergency fund whenever the triggering event occurs. Your Committee remains opposed to any requirement that would impede Legislative discretion with regards to the amount to be disbursed from the general fund, but defers to the Committee on Finance with respect to the fiscal appropriateness of a triggering mechanism that would look to revenue growth rather than growth in the general fund balance.

Your Committee has amended this bill by:

- (1) Deleting the phrase "excess funds" to eliminate ambiguity;
- (2) Allowing for multiple emergency special funds to be created at the discretion of the Legislature; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2807, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2807, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 832-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2137

The purpose of this bill is to support members of the military deployed outside of the state, by allowing these individuals to cancel or suspend their health club contracts within 90 days of notice of deployment, and receive a refund of the unused balance of the amount paid for the contract.

The Chamber of Commerce of Hawaii, Oahu Veterans Council, and Military Officers Association of America, Hawaii Chapter testified in support of this bill.

Your Committee has amended this bill by including the provisions contained in H.B. No. 1944 which your Committee passed, as follows:

- (1) Limiting the documentation that can be used to prove deployment to a copy of the member's official military orders or a written verification from the member's commanding officer;
- (2) Deleting the requirement for the pro rata refund of fees from the health club to the member;
- (3) Allowing a health club to retain the portion of the total contract price representing the services used plus reimbursement for the expenses incurred in an amount not to exceed 25 percent of the total contract price, if a contract is cancelled; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2137, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2137, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 833-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2139

The purpose of this bill is to provide indigent veterans without immediate family members with a proper burial by requiring the Director of the Office of Veterans' Services to ensure the burial or cremation and interment of the veteran's remains in a state veterans cemetery.

The Office of Veterans Services (OVS) and Oahu Veterans Council supported this bill.

Your Committee finds that the federal government provides burial benefits for veterans who die without a next of kin or other person claiming the veteran's remains, where there are insufficient resources to cover burial and funeral costs, and the veteran served honorably during any war or was discharged because of a service-connected disability. These funds are made available to provide a proper burial and avoid the risk that an indigent veteran who dies alone, without immediate family members, is interred in a pauper's grave.

This bill will allow the OVS Director to ensure that the service of our veterans is honored by a proper burial in a veterans cemetery.

Your Committee has amended this bill by replacing its substance with that of H.B. No. 1943, H.D. 1. As amended, the bill adds "inurnment" to the alternatives for the disposition of a veteran's remains.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2139, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2139, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 834-10 Education/Labor & Public Employment on S.B. No. 2120

The purpose of this bill is to require the Department of Education (DOE) to establish alternative routes to certification for principals and vice-principals that meet the criteria set by the United States Department of Education for state applications for Race to the Top fund allocations under the federal American Recovery and Reinvestment Act of 2009.

This bill also removes DOE's authority to waive the certification and school-level experience requirements for vice-principal candidates on a case-by-case basis.

DOE testified in support of this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2120, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Hanohano, M. Lee, Manahan, Rhoads and Souki.

SCRep. 835-10 Education/Labor & Public Employment on S.B. No. 2434

The purpose of this bill is to provide the Board of Education (BOE) with more flexibility to establish certain salaries in the Department of Education (DOE) by:

- (1) Adjusting the cap on the salary of the Superintendent of Education to no more than the salary of the highest-paid school-, district-, or state-level administrator in DOE; and
- (2) Adjusting the cap on the salaries of the Deputy Superintendent, assistant superintendents, complex area superintendents, and the State Librarian to no more than a certain percentage of the Superintendent of Education's salary.

A concerned individual testified in support of this bill. The Governor's Administration opposed this measure. BOE offered comments.

Your Committees have amended this bill by replacing its contents with the language of H.B. No. 2306, H.D. 2. As amended, this bill adjusts the caps of the salaries of the Superintendent of Education and State Librarian to no more than 150 percent of the salary of the highest-paid DOE principal and librarian, respectively, beginning with the 2011–2012 school year.

Your Committees have further amended this bill by clarifying that the salary of the Superintendent of Education shall be no greater than 150 percent of the highest salary for a principal based on the salary schedule included in the most recent collective bargaining agreement.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2434, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2434, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Hanohano, Manahan, Rhoads and Souki.

SCRep. 836-10 Education/Higher Education/Labor & Public Employment on S.B. No. 2122

The purpose of this bill is to require the Department of Education (DOE), University of Hawaii (UH), Department of Labor and Industrial Relations (DLIR), and any other state agency as appropriate to share data to support research that will improve the educational and workforce outcomes and meet the longitudinal data requirements of the federal American Recovery and Reinvestment Act of 2009.

DOE, Workforce Development Council, UH, and the Hawaii P-20 Partnerships for Education testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2122, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Hanohano, M. Lee, Manahan, Rhoads and Souki.

SCRep. 837-10 Labor & Public Employment on S.B. No. 2849

The purpose of this bill, as received by your Committee, is to improve the efficiency and accountability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). Among other things, this bill:

- (1) Exempts the procurement of certain services relating to the EUTF from the procurement code;
- (2) Imposes fiduciary duties upon the fiduciaries of the EUTF and establishes liability for breach of fiduciary duty;
- (3) Authorizes the Board of Trustees of the EUTF (Board) to retain independent legal counsel;
- (4) Modifies the size, composition, term limits, and appointment process of the Board;
- (5) Amends the quorum and voting requirements of the Board to reflect changes in the Board's composition;
- (6) Transfers jurisdiction over the EUTF from the Department of Budget and Finance (B&F) to the Department of Human Resources Development (DHDRD); and
- (7) Requires the Director of DHDRD to report to the Legislature prior to the Regular Sessions of 2013 and 2015 on the cost effectiveness of the amendments made to the EUTF by this measure.

Prior to the hearing, your Committee circulated a proposed H.D. 1. for review and consideration and accepted testimony on the proposed H.D. 1. As proposed, the purpose of this bill is to improve the provision of health benefits to public employees and retirees by, among other things:

- (1) Creating separate bargaining unit health benefits trust funds (Trust Funds) for each public employee bargaining unit to provide employee-beneficiaries and dependent-beneficiaries with health and other benefit plans, and to pay administrative and other expenses of the particular fund;
- (2) Establishing employer contribution requirements for the new Trust Funds and stipulating that these contributions are irrevocable and are not considered wages or salaries;
- (3) Establishing the monthly contribution requirements for employee-beneficiaries of the new Trust Funds;
- (4) Setting up eligibility requirements for inclusion in the Trust Funds;

- (5) Subjecting each of the Trust Funds to an independent annual audit that shall be paid for by the Trust Funds;
- (6) Providing for the composition of the Boards of Trustees of the various Trust Funds and establishing their powers and duties including granting the Boards of Trustees rulemaking authority;
- (7) Changing the name of the EUTF to the Hawaii Public Employee Health Benefits Trust Fund (HPEHBTF) and stipulating that this fund will provide health and other benefits for exempt, part time, temporary, and seasonal or casual employees, and retirees;
- (8) Establishing the appointment and removal requirements, and the term of office, for the administrator of the HPEHBTF;
- (9) Amending the impasse procedures for certain bargaining units by shortening the time frames for arbitration; and
- (10) Making numerous technical statutory changes to reflect the new Trust Funds; name changes of existing trust funds; benefit changes; changes to the composition of, and the powers duties, other requirements of the new and existing boards; changes to the administrators of the new and existing trust funds; and any other changes necessary to reflect the new statutory language.

The Office of Collective Bargaining; B&F; Department of Human Resources of the City and County of Honolulu; University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, Local 646; and a concerned individual testified in opposition to the proposed H.D. 1 to this bill. The Hawaii State Teachers Association provided comments.

The EUTF was established to provide a single health benefits delivery system for State and county employees, retirees, and their dependents and was intended to provide quality health insurance that met the needs of all public employees and their dependents. The EUTF was also intended to address the State's concern with rising health care costs and the ability of the State and counties to continue to afford to pay for the health insurance needs of public employees, retirees, and their dependents.

However, since its establishment, the EUTF has faced many issues, and recent events have highlighted some of the difficulties the EUTF faces. Fundamentally and systematically overhauling the entire EUTF as recommended in the Proposed H.D. 1 would appear to be one solution to solving many of these problems.

Nevertheless, your Committee is concerned that a complete revamping of the EUTF and creation of separate Trust Funds for each public employee bargaining unit may not be prudent at this time and that the more measured approach taken by the original version of this bill would be the more appropriate action to take. Accordingly, your Committee finds that the proposed H.D. 1 should not be passed and is in agreement with the contents of the original bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 838-10 Labor & Public Employment on S.B. No. 2393

The purpose of this bill is to fund the Hawaii Employer-union Health Benefits Trust Fund (EUTF) costs contained in the agreement with the exclusive bargaining representative of employees in collective bargaining units (2), (3), (4), (6), (8), (9), and (13).

The Hawaii Government Employees' Association testified in support of this bill. The Department of the Attorney General (AG) opposed this measure. The Department of Budget and Finance (B&F) provided comments.

The current fiscal situation facing the State resulted in ongoing negotiations with the exclusive bargaining representatives of the various public-sector collective bargaining units over salaries and benefits. Although the parties involved with the negotiations concerning bargaining units (2), (3), (4), (6), (8), (9), and (13) reached agreement on numerous issues, they were unable to resolve differences concerning the contribution amounts paid by the employers (State and counties) toward health benefit plan costs. While the current law allows negotiations over these amounts to occur, it also prohibits the use of binding arbitration to resolve disputes relating to employer contributions to the EUTF. However, in a letter of understanding, the parties involved agreed to submit this issue to the Legislature for resolution. This measure is a result of that decision.

Nevertheless, your Committee does note the concerns raised by B&F and the AG concerning the use of percentages for health premium costs rather than specific dollar amounts and the time period covered by this measure. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with provisions contained in H.B. No. 2204, H.D. 1. As amended, this bill:

- (1) Appropriates an unspecified amount of general funds to fund collective bargaining cost items relating to the employer contributions to the Hawaii employer-union health benefits trust fund;
- (2) Specifies that the funding contained in this bill only applies to fiscal year 2010–2011, as the letter of understanding between the parties stipulated that the employer continue to pay the same dollar amount as in fiscal year 2008–2009 for fiscal year 2009–2010 only; and
- (3) Requires the employer to pay 100 percent of the EUTF's monthly administrative fees for fiscal year 2010–2011.

Your Committee has further amended this bill by:

- (1) Changing the effective date to July 1, 2010; and

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

Yet, your Committee recognizes that public employees have faced an approximately 24-percent increase in health care premiums while also experiencing furlough days that have resulted in reduced salaries. Therefore, your Committee respectfully requests that the Committee on Finance consider a cost-sharing split for health premium costs of 55 percent and 45 percent for employers and employees, respectively, when determining the exact amount of funds to place in this measure and that this consideration only be given for the 2010-2011 fiscal year. Future percentage divisions for health premiums can be decided through collective bargaining.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2393, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2393, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

SCRep. 839-10 Transportation on S.B. No. 2754

The purpose of this bill is to improve highway safety by conforming Hawaii's commercial motor vehicle disqualification requirements with federal commercial driver licensing laws.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

Penalties for the violation of a driver or vehicle out-of-service order have been updated under the Code of Federal Regulations. Your Committee notes that if the state's statutes remain incompatible with Federal Motor Carrier Safety Regulations, the state could lose approximately \$4,500,000 (or five percent) of federal-aid highway funds for the first year of non-compliance and approximately \$9,100,000 (or ten percent) per year thereafter, and that Motor Carrier Safety Assistance Program grant funds could also be withheld. During these difficult economic times, loss of these highway funds would have a detrimental effect on our State highway system.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2754 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 840-10 Transportation on S.B. No. 2759

The purpose of this bill is to clarify Hawaii's licensing laws by excluding commercial motor vehicles from category 4 motor vehicles.

The Department of Transportation and the Hawaii Transportation Association testified in support of this bill.

Currently, operators of category 4 motor vehicles are not required to hold commercial drivers' licenses and are not subject to federal disqualifications that apply to a person holding a commercial driver's license or operating a commercial motor vehicle. This leads to confusion among the general public as to the differences between various license categories. This bill is intended to bring greater clarity and consistency when dealing with federal regulations regarding commercial drivers' licenses and other types of driving licenses.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 841-10 Transportation on S.B. No. 2758

The purpose of this bill is to ensure public safety by requiring certain vehicles transporting hazardous materials to comply with Federal Motor Carrier Safety Regulations (FMCSR).

The Department of Transportation (DOT) and the Hawaii Transportation Association testified in support of this bill.

The purpose of motor carrier safety inspection laws is to protect motorists on the highways. Unfortunately, program reviews by the Federal Motor Carrier Safety Administration (FMCSA) have found certain statutes that are incompatible with the FMCSR, jeopardizing the receipt of FMCSA funding. To ensure continued federal funding from the FMCSA to DOT's Motor Vehicle Safety Office, this bill conforms state law with FMCSR.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2758 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 842-10 Judiciary on S.B. No. 2081

The purpose of this bill is to provide funding to decrease littering by increasing the fines and allocating the fines to the county if collected by a county agency, or to the Environmental Management Special Fund (Special Fund) if imposed by a state agency.

The Department of Health opposed this bill.

Your Committee has amended this bill by:

- (1) Requiring fines to be deposited exclusively into the Special Fund;
- (2) Making discretionary, rather than mandatory, the expenditure of Special Fund moneys for the purpose of funding litter control and enforcement programs;
- (3) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2081, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2081, S.D. 2, H.D. 2.

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

SCRep. 843-10 Judiciary on S.B. No. 2116

The purpose of this measure is to allow the Governor to delegate to the Superintendent of Education the authority to agree to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees for public school purposes and functions on county facilities.

The Department of Education, Department of the Attorney General, and County of Kauai Office of the County Attorney testified in support of this bill.

Your Committee has amended this measure by making its execution mandatory rather than discretionary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2116, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2116, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 844-10 Judiciary on S.B. No. 2150

The purpose of this bill is to permanently establish the jurisdictional responsibilities of the appellate courts.

The Judiciary testified in support of this bill.

Your Committee has amended this bill by extending the repeal date to June 30, 2014, rather than permanently establishing the jurisdictional responsibilities of the appellate courts.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2150, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 845-10 Human Services/Labor & Public Employment on S.B. No. 2341

The purpose of this bill is to help provide increased employment security for victims of domestic abuse by adding domestic abuse victims as a protected class under the employment discrimination law.

The Hawaii State Coalition Against Domestic Violence and several concerned individuals testified in support of this bill. The Hawaii Civil Rights Commission (HCRC) supported the intent of this measure. The Society for Human Resource Management opposed this bill.

Your Committees acknowledge that the proposed new protected class may require additional funding and staffing for the HCRC in light of data suggesting that this protected class will be large.

Upon careful consideration, your Committees have amended this bill by:

- (1) Making the protected status of domestic abuse victims contingent upon the domestic abuse victim providing notification to the victim's employer;
- (2) Inserting language to state that where an employer is required to provide reasonable accommodations to the domestic violence victim, those accommodations will be provided unless it would cause an undue hardship to the employer;
- (3) Including a sunset date of June 30, 2012;

- (4) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2341, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2341, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 846-10 Human Services/Health on S.B. No. 2469

The purpose of this bill is to help maintain vital social services by appropriating moneys from the Emergency and Budget Reserve Fund for services and programs determined to be essential to education and public health and welfare.

The State Council on Developmental Disabilities, Department of Community Services of the City and County of Honolulu, County of Kauai Agency on Elderly Affairs, Fifty Plus Lifelong Fitness, Policy Advisory Board for Elder Affairs, Hawaii Alliance for Retired Americans, Waikiki Community Center, Moiliili Community Center for Senior Center Program, National Association of Social Workers Hawaii Chapter, Hawaii Substance Abuse Coalition, Volunteer Legal Services Hawaii, Legal Aid Society of Hawaii, Catholic Charities Hawaii, Easter Seals Hawaii, Child & Family Service, The Sex Abuse Treatment Center, Ku Aloha Ola Mau, Hawaii Disability Rights Center, Maui Age Wave, Hawaii Primary Care Association, Hina Mauka Recovery Center, Ohana Health Plan, PHOCUSED (Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled), National Multiple Sclerosis Society, AARP Hawaii, and numerous concerned individuals testified in support of this bill. The Judiciary, Department of Education, Early Learning Council of the Department of Human Services, and several concerned individuals provided comments.

The Emergency and Budget Reserve Fund (Fund) was created by Act 304, Session Laws of Hawaii, 1999, to serve as a temporary supplemental source of funding for the State during times of emergency, economic downturn, or unforeseen reduction in revenues.

Your Committees find that with a current budget deficit of \$1.2 billion through fiscal year 2010, resulting in cuts to programs across all levels of State government, use of the Fund is paramount to maintaining essential services for Hawaii's children and vulnerable populations. Your Committees feel certain that the continued provision of these vital services will prevent the even greater cost to society that may arise in their absence.

As such, this bill appropriates moneys in unspecified amounts for the following:

- (1) Respite services;
- (2) To supplement the Healthy Start Program;
- (3) To provide funding for grants for the following organizations:
 - (A) Catholic Charities Hawaii;
 - (B) Kapahulu Center;
 - (C) Moiliili Community Center; and
 - (D) Waikiki Community Center;
- (4) Kupuna care services;
- (5) The Aging and Disability Resource Center;
- (6) The Developmental Disabilities Medicaid Waiver Program;
- (7) Mental health services;
- (8) The Partnerships in Community Living Program;
- (9) Direct health care to the uninsured;
- (10) For a substance abuse prevention and treatment block grant;
- (11) The Healthy Aging Partnerships Program;
- (12) The Waianae Coast Comprehensive Health Center's emergency room services;
- (13) HIV/AIDS-related support and services;
- (14) The Blueprint for Change Program's Neighborhood Place Walk-in Centers;
- (15) The Hawaii Immigrant Health Initiative Program;

- (16) The Hawaii Children's Health Care Program;
- (17) Domestic violence shelters;
- (18) The Hale Mahaolu Adult Program for personal care services;
- (19) Disproportionate share hospital costs;
- (20) Medicaid provider reimbursements;
- (21) Outstationed eligibility worker services;
- (22) Outreach services provided by the Department of Human Services;
- (23) Outreach services to locate uninsured children;
- (24) Outreach services to locate uninsured adults;
- (25) Housing placement services;
- (26) The Shelter Plus Care Program;
- (27) The Oahu Safe House Program;
- (28) Adult dental services;
- (29) Medicaid;
- (30) Child care;
- (31) General Assistance;
- (32) Domestic violence services;
- (33) Volunteer Legal Services Hawaii;
- (34) Legal Aid Society of Hawaii;
- (35) The Hawaii Family Law Clinic;
- (36) Catholic Charities Hawaii;
- (37) The Children's Alliance of Hawaii;
- (38) The Employment Core Services Program;
- (39) The Weed and Seed Program in Ewa Beach;
- (40) The Women and Children Sex Abuse Treatment Center operated by Kapiolani Medical Center;
- (41) Non-school hours programs;
- (42) The Kupuna Care Program;
- (43) To restore the General Assistance benefit amount to \$450 per month or as close as may be to that amount given the monthly caseload;
- (44) To support domestic violence shelters statewide;
- (45) For the restoration of adult dental care formerly granted under program ID HMS245; and
- (46) Child Care subsidies.

Your Committees also note that homelessness is a significant issue in the state, and that it has only been exacerbated by the current difficult economic situation. Of particular concern is the chronically homeless, which includes homeless individuals who have an addiction or mental illness, or both, and are extremely fragile, with the least likelihood of ever reaching independent living.

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

- (1) Including an appropriation for the Housing First Pilot Program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2469, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2469, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 847-10 Judiciary on S.B. No. 2534

The purpose of this bill is to:

- (1) Require bond filing fees; and
- (2) Require law enforcement agencies to accept cash, surety, and own recognizance bonds when the courts are closed to discharge a prisoner from custody or imprisonment.

A concerned individual supported this bill. The Department of Public Safety opposed this measure. The Office of the Public Defender and the Professional Bail Agents of Hawaii submitted comments.

Your Committee prefers the fees collected under this bill to be deposited directly into the general fund rather than any special fund despite the fact that the purpose of the fees is to offset the operating cost of this measure. Also, the Finance Committee is respectfully requested to look into creating a proper fee structure.

Your Committee has amended this bill by:

- (1) Having the fees deposited into the general fund;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2534, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 848-10 Consumer Protection & Commerce on S.B. No. 2501

The purpose of this bill is to promote standards in public accountancy work by requiring public accountancy firms to undergo peer review of attest work as a condition of permits to practice.

The Hawaii Society of Certified Public Accountants and numerous concerned individuals testified in support of this bill. A concerned individual opposed this measure. The Board of Public Accountancy (Board) and two concerned individuals provided comments.

This bill establishes a peer review requirement to help improve the quality of financial statements prepared by accountants in Hawaii and provide a level of assurance that these documents are uniformly prepared in accordance with established professional standards. Your Committee finds that this bill attempts to add a critical layer of protection against professional deficiencies or misconduct in the accounting profession.

Your Committee has amended this bill by:

- (1) Making the peer review requirement an express condition of a permit to practice public accountancy;
- (2) Requiring the peer review to be conducted every three years, rather than at the time the firm's permit is to be renewed;
- (3) Requiring firms, at the time of permit renewal, to submit evidence of having undergone the peer review;
- (4) Providing that the Board may authorize third-party entities to administer peer reviews without having to do so by contract;
- (5) Clarifying that a third-party entity authorized by the Board to administer peer reviews may not require a firm's owners or employees to become members of the entity to participate in peer review;
- (6) Clarifying that a person involved in the peer review process cannot be required to testify on the process, but that a person's statements in connection with the peer review process is subject to discovery if the person is a party to an action or proceeding concerning a matter that was reviewed in the peer review process;
- (7) Making various amendments to correct inaccurate references; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2501, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Luke.

SCRep. 849-10 Consumer Protection & Commerce on S.B. No. 2566

The purpose of this bill is to ensure that injured workers have access to appropriate health care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendation from a board certified or licensed specialist, who may work in a facility where the physician or surgeon has a financial interest.

Hawaii Medical Association and Hawaii Injured Workers Alliance testified in support of this bill. Hawaii Chapter American Physical Therapy Association supported this measure with amendments. The Department of Labor and Industrial Relations, the Department of Human Resource Development, Hawaii Insurers Council, and Property Casualty Insurers Association of America opposed this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2566, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and Mizuno.

SCRep. 850-10 Consumer Protection & Commerce on S.B. No. 2601

The purpose of this bill is to ensure that Hawaii's athletes are adequately protected by requiring the State Auditor to conduct a sunrise analysis of the licensure of athletic trainers.

The Hawaii Athletic Trainers' Association testified in support of this bill. The Occupational Therapy Association of Hawaii and Hawaii Chapter, American Physical Therapy Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring that the Auditor, as part of its report to the Legislature, include recommended definitions of the terms "athlete" and "athletic injuries";
- (2) Describing athletic trainers more appropriately as "health professionals" rather than "medical professionals" to prevent the inference that athletic trainers are licensed in the practice of medicine; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2601, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and Mizuno.

SCRep. 851-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2222

The purpose of this bill is to conform proxy laws for planned community associations to comparable provisions regulating condominium association proxies.

A concerned individual testified in support of this bill. The Princeville at Hanalei Community Association and Mililani Town Association opposed this measure. The Hawaii State Association of Parliamentarians, Legislative Action Committee of the Community Associations Institute – Hawaii Chapter, Carter Professional Center, Bayview Estates, Keauhou Estates, Alii Lani, Kona Plaza, Alii Point, and KaMilo at Mauna Lani provided comments.

Your Committees have amended this bill by reverting back to the S.D. 1. As amended, this bill differs substantively by:

- (1) Changing the options that must appear on standard proxy forms authorized by the association to allow owners to grant proxies:
 - (A) To an association board as a whole so that the vote is to be made on the basis of the preference of the majority of the directors present at the meeting; and
 - (B) To the directors present at the meeting, with the votes to be shared equally among the directors, rather than among the candidates;

and
- (2) Eliminating the provision stating that a parliamentarian is not required to be present at association and board of directors meetings.

Upon further consideration, your Committees have also amended this bill by requiring votes cast by proxy for board of directors elections or reelections to be equally distributed among the candidates.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2222, S.D. 1, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2222, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Morita, B. Oshiro and Souki.

SCRep. 852-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2529

The purpose of this bill is to improve the quality and cost-efficiency of health care by establishing a task force to develop policies and procedures for a health care claims uniform reporting and evaluation system that is consistent with national standards.

Hawaii Medical Association (HMA), Hawaii Health Information Corporation, Hawaii Medical Service Association, and Kaiser Permanente Hawaii testified in support of this bill.

Your Committees find that this bill attempts to facilitate comprehensive and accurate health insurance claims data collection that will promote greater public awareness of health care costs, increase transparency in the health care system, and help identify ways to stem the continued rise of health care expenses.

Your Committees have amended this bill by:

- (1) Providing that the task force members from the insurance industry shall be made up of four rather than six representatives from insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations with the largest market shares for health insurance in Hawaii, to be appointed by the Insurance Commissioner;
- (2) Adding one representative each from HMA and Healthcare Association of Hawaii as task force members;
- (3) Requiring the task force to study ways to standardize third-party processing and payment of prescription drug claims by pharmacy benefit managers; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2529, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 2529, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Morita, B. Oshiro and Souki.

SCRep. 853-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2603

The purpose of this bill is to facilitate the effective regulation of mortgage loan originators under the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), Chapter 454F, Hawaii Revised Statutes (HRS), by:

- (1) Making amendments to the application, licensing, and regulatory requirements of the SAFE Act;
- (2) Establishing the Mortgage Loan Recovery Fund to protect consumers harmed by violations of the SAFE Act;
- (3) Including mortgage loan originator companies under the regulation of the SAFE Act; and
- (4) Appropriating funds for the hiring of staff within the Department of Consumer Affairs' (DCCA) Division of Financial Institutions to effectuate the purposes of the SAFE Act.

DCCA and the Hawaii Association of Mortgage Brokers testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure.

Act 32, Special Session laws of Hawaii 2009, established the SAFE Act, which takes effect on July 1, 2010, and provides a new regulatory framework for the licensing of residential mortgage professionals that brings Hawaii into compliance with federal requirements set forth in the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Your Committees find that this bill furthers the efforts of Act 32 by providing a smooth transfer from the regulation of residential mortgage professionals under Chapter 454, HRS, to the new system under the SAFE Act, including the provision of human resources to handle the initial administrative challenges of processing applications for new licenses and to continuously administer the requirements of the SAFE Act.

Your Committees have amended this bill by:

- (1) Blanking out the amounts for licensing fees under the SAFE Act, for further consideration by the Committee on Finance; and
- (2) Authorizing, rather than requiring, the Director of DCCA to execute agreements with the Director of Human Resources Development and the Director of Taxation for the temporary exchange of employees to assist DCCA's Division of Financial Institutions in the timely processing of applications for licensure under the SAFE Act.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2603, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2603, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Luke.

SCRep. 854-10 Housing on S.B. No. 2473

The purpose of this bill is to assist grandparents raising their grandchildren by:

- (1) Allowing grandchildren of elderly housing project residents to temporarily reside with the elderly resident or be transferred to public family housing during certain family crisis situations; and
- (2) Granting elderly residents evicted or transferred to family housing first priority back into elderly housing when the crisis has abated.

The Kokua Council, Hawaii Family Forum, Hawaii Catholic Conference, and a concerned individual testified in support of this bill. The Hawaii Public Housing Authority (HPHA) provided comments.

Your Committee has amended this bill by:

- (1) Specifying that:
 - (A) The grandchild must be younger than 18 years of age;
 - (B) The temporary stay can last no longer than three months;
 - (C) The elderly tenant must notify HPHA of the presence of the grandchild within seven days;
 - (D) The elderly tenant must be competent; and
 - (E) HPHA must verify the presence of a family crisis;
- (2) Deleting language that allows HPHA to transfer the elderly tenant to state or federal public family housing; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Chang, Har and Thielen.

SCRep. 855-10 Housing on S.B. No. 2593

The purpose of this bill is to promote greater accountability by:

- (1) Requiring the Hawaii Housing Finance and Development Corporation (HHFDC) to conduct periodic reviews of housing projects certified to receive a general excise tax (GET) exemption; and
- (2) Requiring HHFDC to adopt rules, including penalties for non-compliance, relating to the GET exemption.

A concerned individual supported this bill. HHFDC opposed this measure. The Hawaii Association of REALTORS and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Requiring the Department of Taxation, instead of HHFDC, to conduct the periodic reviews of the housing projects certified to receive a GET exemption; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2593, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 856-10 Housing on S.B. No. 2594

The purpose of this bill is to help place greater control on the general excise tax exemption for affordable rental housing by, among other things, providing that the general excise tax exemption for certain affordable rental housing shall apply only to qualified state-licensed persons or firms as to the portion of rental income received from households that meet residency and gross annual income requirements.

A concerned individual supported the intent of this bill. Hawaii Housing Finance and Development Corporation; Ford Island Housing, LLC; and The Chamber of Commerce of Hawaii opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Applying the residency requirement to each means of qualifying for the general excise tax exemption;
- (2) Applying the limitation of the exemption only to that portion of income derived from households that meet residency and gross annual income requirements to each means of qualifying for the general excise tax exemption; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2594, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2594, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har and Thielen.
(Representatives Chang, Sagum and Ching voted no.)

SCRep. 857-10 Housing on S.B. No. 2595

The purpose of this bill is to require that the gross annual income of households in a housing project developed by a qualified person or firm be calculated according to the United States Department of Housing and Urban Development's method of calculation for determining eligibility for the Federal Housing Choice Voucher (section 8) program, for the person or firm to be considered to receive a general excise tax exemption.

A concerned individual testified in support of the intent of this bill. The Hawaii Housing Finance and Development Corporation; Ford Island Housing, LLC; and The Chamber of Commerce of Hawaii testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Making the income guidelines applicable to any housing eligible for the general excise tax exemption under section 237-29, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2595, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 858-10 Labor & Public Employment on S.B. No. 2324

The purpose of this bill is to assist those receiving partial unemployment benefits who are attached to a regular employer by clarifying that a claimant receiving partial unemployment benefits is not disqualified from receiving benefits upon separating from another employer that offers only part-time employment.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and ILWU Local 142 testified in support of the intent of this bill. The Department of Labor and Industrial Relations and General Contractors Association of Hawaii opposed this measure.

Currently, individuals who are attached to an employer but separated from that employer because of lack of work may receive "partial" unemployment insurance (UI) benefits. This exempts that individual from work registration and job search requirements because the individual is obligated to be available for work by the employer the worker is attached to and it is expected that work will be available in a timely manner. In addition, the claimant may voluntarily seek part-time or full-time employment to supplement or supplant the UI benefits that are being received.

However, should this individual be separated from employment with the secondary employer, the possibility exists that the individual would be disqualified from receiving any UI benefits. This measure attempts to correct this issue.

Your Committee notes that H.B. 2257, H.D. 2, provides similar relief to these partially unemployed individuals through amendments to statutory provisions establishing criteria for the disqualification of UI benefits rather than amending statutory provisions that establish eligibility requirements for partial unemployment, which, according to supporters of this measure, would make the language more straightforward and unambiguous. Accordingly, your Committee has amended this measure by replacing it with the provisions contained in H.B. No. 2257, H.D. 2.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2324, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2324, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 859-10 Labor & Public Employment on S.B. No. 2597

The purpose of this bill is to ensure the efficient functioning of the Hawaii Employers' Mutual Insurance Company (HEMIC) by, among other things:

- (1) Allowing members of HEMIC's Board of Directors to serve more than two nonconsecutive terms;
- (2) Separating the titles and functions of President and Chief Executive Officer of HEMIC; and
- (3) Ensuring that HEMIC is subject to the same liability standards as all other workers' compensation insurers.

HEMIC testified in support of this bill. Several concerned individuals testified in opposition to this measure. The Hawaii Injured Worker's Alliance provided comments.

HEMIC is expected to experience a leadership change in the very near future with the retirement of its current executive who serves as both the Chief Executive Officer and President. Changes may also occur within HEMIC's Board of Directors due to term limitations. Having an inexperienced Board of Directors in place at the same time HEMIC is going through an executive transition period would not appear to be in the best interest of HEMIC or its members. By separating the titles and functions of the President and Chief Executive Officer, HEMIC will be able to reallocate the duties of its executive management and allow for a smoother transition of executive leadership without creating any new positions. Allowing members of HEMIC's Board of Directors to serve more than two nonconsecutive terms will allow HEMIC to retain qualified and experienced Board leadership, which will also assist in ensuring continuity of management during executive transitions.

HEMIC has also noted that, when HEMIC was established, the Legislature intended HEMIC to provide the highest level of workers' compensation insurance for the lowest cost, and provide the highest standard of workplace safety and loss prevention. However, in recent court proceedings, it has been found that the statutory purpose of HEMIC could be construed as establishing a higher legal standard for HEMIC than that applying to other insurance providers that offer workers' compensation insurance. This measure ensures that HEMIC is able to operate on the same terms as other workers' compensation insurers.

However, your Committee understands the concerns raised that this bill may provide HEMIC with insulation from lawsuits. Nevertheless, this measure deserves further consideration.

Your Committee has amended this bill by:

- (1) Explicitly stating that HEMIC is subject to the same liability standards, including common law liability standards, as all other workers' compensation insurers; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2597, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2597, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Pine.

SCRep. 860-10 Housing/Water, Land, & Ocean Resources on S.B. No. 2110

The purpose of this bill is to implement recommendations of the Call to Action Task Force to help eliminate barriers to building more affordable housing by placing a standard timeframe on agency issuance of ministerial permits for approved affordable housing projects.

The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Building and Construction Trades Council-AFL-CIO supported this bill. The Governor supported this measure with amendments. The City and County of Honolulu submitted comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive, changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2110, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2110, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 861-10 Legislative Management on S.B. No. 2533

The purpose of this bill is to address concerns regarding the cost-effectiveness of the Department of Public Safety's (PSD) contracts with the Corrections Corporation of America and the federal detention center in Honolulu by directing the Auditor to conduct a financial and management audit of these contracts.

The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, and many concerned individuals testified in support of this bill. PSD opposed this measure.

Although the current Administration will not benefit from the Auditor's findings, it is important that the State identify ways to maximize the use of its limited funds and facilities. Your Committee also believes that there is a need for a clear vision regarding the long-term incarceration and rehabilitation of Hawaii's inmates, one that decreases reliance on housing them in mainland facilities. For this reason, it is troubling to hear about the recent closure of Kulani Correctional Facility as well as stalled plans for new correctional facilities in the state.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 862-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2545

The purpose of this bill is to address growing community complaints related to liquor consumption at bring-your-own-beverage (BYOB) establishments by:

- (1) Restricting liquor consumption on BYOB premises not licensed by a liquor commission to 6:00 a.m. to 12:00 midnight; and
- (2) Establishing a class 17 liquor license for BYOB establishments that wish to operate between 12:00 midnight and 2:00 a.m.

Your Committee made a proposed S.B. No. 2545, H.D. 1, available to the public. This proposed draft added a provision to the bill increasing the 10,000-barrel limit on class 14 brewpub licensee on-premises liquor manufacturing to 30,000 barrels.

Sierra Nevada Brewing Co., Stone Brewing Co., Maui Brewing Co., Coronado Brewing Company, Oskar Blues Brewery, Hard Rock Café Maui, Surfing Goat Dairy, the Representative from the 28th House District, and numerous concerned individuals supported this bill. The City and County of Honolulu Liquor Commission supported this bill with amendments. Retail Liquor Dealers Association of Hawaii opposed this measure.

Your Committee finds that brewing is a rapidly growing business in Hawaii. There was no opposition to the brewpub liquor manufacturing increase, and numerous individuals, many of whom represent Hawaii brewpub businesses, supported the increase.

Your Committee also finds that the number of BYOB establishments has increased during the recession, and that these unregulated BYOB establishments are creating a public nuisance because of late night noise, illegal liquor sales, and traffic accidents caused by drunk patrons.

Your Committee has amended S.B. No. 2545, S.D. 2, by adopting the increased 30,000-barrel limit on onsite brewpub liquor manufacturing contained in the proposed H.D. 1. In addition, the bill was further amended by:

- (1) Reinserting language inadvertently omitted in the S.D. 2, which allows a patron to remove from BYOB premises licensed by the liquor commission, any portion of wine brought onto the premises by the patron; and
- (2) Adopting amendments recommended by the County Departments of Liquor Control and the Honolulu Liquor Commission that among other things:
 - (A) Replace class 17 liquor license for BYOB classes based on the type of liquor to be consumed, with license categories based on whether the premises provides music and live entertainment that includes karaoke only, or karaoke and dancing; and
 - (B) Require BYOB establishments to maintain liquor liability insurance coverage.

Your Committee respectfully requests the Committees on Consumer Protection and Commerce and Judiciary to which this bill is next referred, to consider the Honolulu Liquor Commission's recommendation that retail dealers holding a class 4 liquor license be exempted from the liquor liability insurance requirements contained in sections 281-31, 281-45, and 281-61, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 863-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2323

The purpose of this bill is to clarify the procedures necessary to meet online registration for work requirements under Hawaii's employment security law.

The Department of Labor and Industrial Relations, ILWU Local 142, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this bill.

The online registration for work requirements in section 383-1, Hawaii Revised Statutes (HRS), that are referenced in this bill, were enacted by Act 170, Session Laws of Hawaii 2009, as part of the partial unemployment program. That program, including its online registration for work requirements, will be repealed on July 1, 2012.

Your Committee finds that this bill intends to clarify the registration for work requirements that are generally applicable under the employment security law, not just the partial unemployment program. Your Committee has thus made technical, nonsubstantive amendments consistent with the intent of this bill that include:

- (1) Replacing the reference to section 383-1, HRS, with a reference to the general registration for work requirement under section 383-29(a), HRS;
- (2) Ensuring the definition of "registered for work" in section 383-1 that is amended in this bill is not repealed when Act 170 sunsets in 2012.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2323, H.D. 2.

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

SCRep. 864-10 Economic Revitalization, Business, & Military Affairs/Consumer Protection & Commerce on S.B. No. 506

The purpose of this bill is to encourage Hawaii's agricultural self-sufficiency by:

- (1) Removing certain agricultural product exemptions from the Hawaii Administrative Rules; and
- (2) Amending the Hawaii State Procurement Code (Procurement Code) to strengthen the Hawaii products preference.

Your Committees made a proposed S.B. No. 506, H.D. 2, available to the public that replaced the substance of this bill with provisions dealing with the certification of procurement contracts to relocate or replace utility facilities affected by state or county highway construction.

Specifically, the amended bill provides that in procurement contracts payable by the State or a county and a utility, the portion to be paid by the utility is subject to certification as to the sufficiency of funds to pay contract costs, and certification may be based on amounts to be paid by a utility pursuant to a legal agreement with the State or county.

Hawaiian Electric Company, Inc., supported this bill. The Department of Transportation and Hawaiian Telcom supported this bill with amendments.

Your Committees find that when construction of a state or county highway results in the removal, relocation, replacement, or reconstruction of private utility facilities at an expense exceeding \$10,000, section 264-33, Hawaii Revised Statutes (HRS), requires the excess cost to be shared, half by the government, and half by the utility.

Under the Procurement Code, contracts are not binding until the State or county certifies that there is an appropriation sufficient to cover the amount required by the contract. However, it is unclear how this certification requirement relates to contracts under section 264-33, HRS, where the cost is shared by the government and a utility.

Disagreements between the State and utilities on this point have resulted in utilities refusing to provide funds for certification up front, and the State being required to provide the utility's share before the construction project is certified and can move forward. These funds are thus unavailable to the State for use on other projects, at times for a period from one to two years, until the utility work starts.

This measure applies certification to the portion of a contract to be paid by a utility. It would allow the government to certify that portion of the contract based on a memorandum of agreement between the government and the utility, obligating the utility to make progress payments when construction work actually begins. Under this bill, neither the government nor the utility would be required to set funds aside for certification of the contract.

Your Committees have further amended this measure by:

- (1) Restricting its application to contracts for highway construction affecting utility facilities, pursuant to section 264-33, HRS;
- (2) Providing that in addition to the utility, the State or county may agree to make progress payments or final payment under the memorandum of agreement, and is responsible for any additional costs attributable to late payments; and
- (3) Exempting Kauai Island Utility Cooperative.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 506, S.D. 1, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 506, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Manahan, Mizuno, Morita and Takai.

SCRep. 865-10 Economic Revitalization, Business, & Military Affairs/Consumer Protection & Commerce on S.B. No. 2543

The purpose of this bill is to provide Hawaii with competitively-priced access to broadband communications by:

- (1) Giving the Director of Commerce and Consumer Affairs various duties relating to broadband deployment in Hawaii; and
- (2) Promoting telework alternatives for public and private employees.

AT&T and tw telecom supported this bill. Oceanic Time Warner Cable supported this bill with amendments. The High Technology Development Corporation supported the bill in part and commented. The Department of Commerce and Consumer Affairs submitted comments.

Access to affordable high-speed broadband services is essential if Hawaii is to meet the challenges of the 21st century and become globally competitive. To restore the House approach to the development and deployment of broadband in Hawaii, your Committees have amended this bill by replacing its contents with that of H.B. No. 2698, H.D. 2, a bill that passed out of both of your Committees earlier this session.

As amended, this bill establishes the Hawaii Broadband Commission (Commission) and the Hawaii Broadband Commissioner to increase access to broadband communications for all households, businesses, and organizations throughout the state.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2543, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2543, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Carroll, Manahan, Mizuno, Morita, Takai and Ward.

SCRep. 866-10 Economic Revitalization, Business, & Military Affairs/Labor & Public Employment on S.B. No. 2840

The purpose of this bill is to strengthen the local economy by requiring contractors awarded construction contracts under the Hawaii State Procurement Code (Code), to ensure that Hawaii residents comprise not less than 80 percent of the workforce employed for the contract.

Hawaii State AFL-CIO; ILWU Local 142; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and the Council Chair of the Maui County Council supported this bill. District Council 50 supported the intent of this measure. The Department of Design and Construction of the City and County of Honolulu opposed this bill. The Department of Accounting and General Services, Department of Budget and Fiscal Services of the City and County of Honolulu, American Civil Liberties Union of Hawaii, and several concerned individuals commented.

Your Committees have amended this measure by replacing its substance with the substance of H.B. No. 2736, H.D. 1, a measure that passed out of the Committee on Finance earlier this session. In addition, as this bill is intended to apply only to construction contracts awarded under the Code, amendments were made to remove superfluous and confusing references to "public works."

Your Committees find that the definition of "resident" in this bill controls the procurement preference, and may also affect the bill's constitutionality. Your Committees respectfully request the Committee on Finance, to which this bill is next referred, to examine the issue of constitutionality as well as the various definitions of "resident" used by states that have enacted resident preferences.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2840, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2840, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Tokioka, Wakai and Wooley.

SCRep. 867-10 Human Services/Health on S.B. No. 2287

The purpose of this bill, as received by your Committees, is to require counties to consider when zoning for group living facilities the potential impact of traffic safety and congestion, elevated noise levels, and disruption of commercial deliveries upon the residents in the surrounding areas.

For the purposes of the public hearing, your Committees circulated a proposed H.D. 1 version that deletes the provisions of the bill and inserts new language invalidating any county ordinance that requires a minimum distance between group living facilities for the elderly and persons with disabilities.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Alliance of Residential Care Administrators, Adult Foster Homecare Association, Hawaii Disability Rights Center, and several concerned individuals testified in support of the proposed draft. The Department of Planning and Permitting of the City and County of Honolulu and the Hawaii Substance Abuse Coalition opposed the proposed draft. The Community Alliance on Prisons provided comments.

Your Committees note that the Fair Housing Act prohibits making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons, including individuals with disabilities. Your Committees are also aware, however, of neighborhood concerns that not all group living homes are well-managed, which may lead to parking, traffic, and noise issues.

Upon careful consideration, your Committees have chosen not to adopt the proposed draft and, instead have amended the bill as received by your Committees by:

- (1) Adding provisions that establish a task force, administratively attached to the Executive Office on Aging, to review local, state, and federal policies regarding zoning for group living facilities; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2287, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2287, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Belatti.

SCRep. 868-10 Human Services/Health on S.B. No. 2650

The purpose of this bill as received by your Committees is to require Medicaid contracts between the Department of Human Services (DHS) and Medicaid health care insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the Medicaid health care insurance plan contractors and home and community-based case management agencies.

For the purposes of the public hearing, your Committees circulated a proposed H.D. 1 version that also:

- (1) Prohibits the use of private contracts and vendors for intake and eligibility of welfare and public assistance services in the state;
- (2) Convenes a task force to determine the feasibility of transferring service to an Eligibility Processing Operations Division prior to any transfer and including a requirement that a review of the plan be submitted to the United States Department of Agriculture; and
- (3) Provides that the competency evaluation required by law of certified nurse aides will be counted toward the continuing education hours required for recertification.

Universal Case Management, LLC, and several concerned individuals supported this bill. Catholic Charities Hawaii supported this bill with amendments. Several concerned individuals supported the original version of this measure. Ohana Health Plan testified in opposition to this bill. DHS, the Department of Commerce and Consumer Affairs, and Hawaii Government Employees Association provided comments.

DHS has announced plans to reorganize the Benefits, Employment and Support Services Division of the department into a proposed Eligibility Processing Operations Division (EPOD), which would result in the closure of 31 of 33 eligibility offices, including approximately 50 eligibility and public assistance units, across the state. This reorganization plan is modeled after similar programs in other states including Oregon and, more particularly, Florida.

Your Committee notes, however, that the Florida program was over two years in the making and began with a small-scale pilot program meant to assess infrastructure requirements and program effectiveness, while DHS has indicated an intention to implement the EPOD reorganization within the year. Additionally, a former recipient under the Oregon model testified at briefings that the model in practice was fraught with errors, major delays, and inefficiencies, and that in response to an overwhelming demand on the public assistance system, Oregon implemented a lottery for benefits, indicating serious problems with a system that DHS intends to replicate.

At these same briefings, a group of over 6,300 individuals, including DHS employees and recipients of benefits provided under DHS, signed a petition to indicate that they have "no confidence" in the Director of Human Services as a result of the manner in which this reorganization process has proceeded. The administrator for the State's Supplemental Nutritional Assistance Program testified against the proposed EPOD plan and asserted that it was devised without the input of DHS workers and supervisors.

Although it appears that DHS intends this reorganization to streamline procedures and result in cost-efficiencies, your Committees acknowledge the Chief Investigator for DHS's Investigations Office who stated that the proposed EPOD plan will result in increased welfare fraud due to the fact that the proposed reorganization will eliminate over 200 eligibility workers who serve as primary witnesses to confirm fraud. Furthermore, the Chief Investigator also testified that a reorganization in this direction may result in the closure of the Investigations Office altogether.

Your Committees are also aware that your Committee on Finance was able to reduce the Governor's proposed budget for DHS by over \$18.5 million dollars while preserving positions that provide essential services to over 300,000 needy Hawaii residents, including victims of child abuse and elder abuse, the disabled, and low-income families.

Finally, your Committees are concerned that a reorganization of this magnitude may result in violations of federal regulations and believe that the United States Department of Agriculture should review the proposed EPOD plan prior to implementation.

Upon careful consideration, your Committees have amended the bill as received by your Committees by adopting the proposed draft.

Your Committees have further amended this bill by:

- (1) Deleting language that allows certified nurse aide competency evaluations to count toward the required continuing education hours for recertification; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2650, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2650, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 869-10 Water, Land, & Ocean Resources on S.B. No. 2942

The purpose of this bill is to increase the economic efficiency of the State by reorganizing the administration and function of certain agencies. Specifically, this bill:

- (1) Establishes the Aloha Tower Development Task Force (Task Force) within the Department of Transportation (DOT) to determine the feasibility and economic impact of abolishing the Aloha Tower Development Corporation (ATDC) and transferring its responsibilities to DOT and Hawaii Community Development Authority (HCDA);
- (2) Requires the Task Force to submit a report of its findings and recommendations to the Legislature prior to the convening of the 2012 legislative session, which shall include a timeframe and plans for the transition of ATDC's various functions to DOT and HCDA;
- (3) Provides that if the Task Force recommends the abolishment of ATDC, the abolishment shall not occur until July 1, 2013; and
- (4) Appropriates \$1,875,479 from the Harbor Special Fund for consultant services to implement the commercial harbors modernization plan.

ATDC testified in support of this bill. DOT, the Hawaii Developers' Council, and Hawaii Harbors Users Group offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2942, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chong, C. Lee and Morita.

SCRep. 870-10 Water, Land, & Ocean Resources on S.B. No. 2409

The purpose of this bill is to give those who hold permits to take marine life or engage in prohibited activities in Marine Life Conservation Districts (MLCD) sufficient notice of any changes to permit conditions by requiring the Department of Land and Natural Resources (DLNR) to provide 90 calendar days written notice of any such changes, when possible.

The Ocean Tourism Coalition testified in support of this bill. DLNR opposed this measure.

In its committee report, the Committee on Economic Revitalization, Business, & Military Affairs, the previous committee by which this bill was heard, requested your Committee to consider alternatives to the use of the phrase "if at all possible," in an effort to provide exceptions for DLNR to the 90-day notice requirement. Upon further consideration, your Committee has amended this bill by clarifying that the situations under which DLNR must provide the 90-day notice does not include permit conditions or situations that require immediate modification or imposition of new conditions to protect or preserve the MLCD, as determined by DLNR.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2409, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 2409, H.D. 2.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 871-10 Health on S.B. No. 2491

The purpose of this bill is to ensure greater access to health care by:

- (1) Clarifying telemedicine as a practice of medicine; and
- (2) Requiring insurers offering medical malpractice insurance coverage to also cover telemedicine services.

The American Cancer Society Hawaii Pacific, Inc.; Hawaii Medical Services Association; and Hawaii State Rural Health Association supported this bill. The Department of Commerce and Consumer Affairs and the Hawaii Medical Association submitted comments.

Your Committee has amended this bill by providing that telemedicine may be included within the defined scope of the practice of medicine.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2491, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2491, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 872-10 Health on S.B. No. 2811

The purpose of this bill is to improve regulation of prescription drugs by requiring all pharmacies and remote dispensing pharmacies to have the capacity to:

- (1) Accept and transmit electronic and facsimile prescriptions; and
- (2) Maintain prescription records electronically.

The Department of Health and Board of Pharmacy opposed this bill. Walgreen Co., submitted comments.

Your Committee has amended this bill by requiring that electronic prescription records that are maintained by every practitioner, pharmacist, or medical oxygen distributor who compound, sell, or deliver any prescribed drugs to a patient or patient's agent, transmittable via facsimile, as well as electronically.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2811, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 873-10 Health on S.B. No. 2745

The purpose of this bill is to update the Uniform Controlled Substances Act by, among other things:

- (1) Restoring the emergency scheduling of the Schedule I controlled substance Salvia divinorum and its constituent Salvinorin A as a hallucinogenic substance;
- (2) Modifying the show cause process and including therein the denial of an application for registration; and
- (3) Authorizing the imposition of administrative fines where a person subject to the requirements of the Controlled Substance Electronic Accountability Prescription System intentionally or knowingly fails to transmit required information, and adding thereto a request from the designated state agency for data correction.

The Department of Public Safety testified in support of this bill. The Drug Policy Forum of Hawaii opposed this measure. Walgreens provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2745, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 874-10 Health/Human Services on S.B. No. 2270

The purpose of this bill is to ensure that fair compensation is provided to acute care hospitals and long-term care facilities by requiring Medicaid reimbursements to:

- (1) Hospitals for patients occupying acute-care beds who are on a waitlist for long-term care to be at least equal to the rate paid for acute-care services; and
- (2) Long-term care facilities for patients with medically complex conditions to be at least equal to the rate paid for subacute care.

The Chamber of Commerce of Hawaii, The Queen's Medical Center, Kaiser Permanente Hawaii, and the Healthcare Association of Hawaii supported this bill. The Department of Human Services opposed this measure.

Your Committees have amended this bill by:

- (1) Providing that unless shorter payment timeframes are otherwise specified in a contract, Medicaid and its contracted health plans shall reimburse a claim that is not contested or denied not more than 30 calendar days after receiving the claim filed in writing, or 15 calendar days after receiving the claim filed electronically, as appropriate; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2270, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2270, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 875-10 Health/Human Services on S.B. No. 2286

The purpose of this bill is to support and improve future long-term care services in Hawaii by extending the sunset date and legislative reporting dates of the Long Term Care Commission (LTCC).

The LTCC, 'Ohana Health Plan, and the Healthcare Association of Hawaii supported this bill.

Your Committees have amended this bill by extending the term of the LTCC until June 30, 2012.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2286, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2286, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 876-10 Health/Human Services on S.B. No. 2810

The purpose of this bill is to increase access to health care by:

- (1) Authorizing pharmacists to provide medication therapy management to qualified QUEST patients; and
- (2) Requiring pharmacies to have written collaborative pharmacy practice agreements on file and an electronically maintained patient records system for each qualified patient.

A concerned individual supported the intent of this bill. The Department of Human Services and Board of Pharmacy opposed this measure. The Hawaii Medical Association and Walgreen Co., submitted comments.

Your Committees have amended this bill by replacing its substance with provisions establishing the Medication Therapy Management Task Force to, among other things, develop standards, policies, and procedures to provide medication therapy management to qualified QUEST patients.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2810, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2810, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 877-10 Energy & Environmental Protection on S.B. No. 2488

The purpose of this bill is to help provide sustainability for the net energy metering system by, among other things:

- (1) Prohibiting an electric utility from unreasonably denying, burdening, or delaying net energy metering service that is requested by an eligible customer-generator;
- (2) Establishing definitions for "net surplus customer-generator" and "net surplus electricity compensation rate";
- (3) Amending the definition of "eligible customer-generator" to include customers who lease or purchase electricity from a qualifying facility;
- (4) Increasing eligible customer-generator maximum capacity from 50 kilowatts to two megawatts;
- (5) Increasing the total allowable generating capacity produced by customer-generators from 0.5 percent of a utility's peak demand to 15 percent of the customer-generators distribution feeder's penetration level or the penetration level that triggers additional technical study as determined by the Public Utilities Commission (PUC), whichever is higher;
- (6) Extending the reconciliation period to 36 months and requiring the electric utility to compensate the net surplus customer-generator at the rate established by the PUC for any credits for excess electricity that remains unused after each reconciliation period;
- (7) Permitting existing net-metered customers to remain with the net metering program even after alternative credits or compensation mechanisms are established;
- (8) Changing to an unspecified amount the electricity production threshold that triggers the requirement that the Commission approve safety and performance standards for customer-generator systems;
- (9) Requiring the PUC to adopt best practices interconnection standards for certain renewable energy facilities by December 31, 2010;
- (10) Requiring the PUC to establish the net surplus electricity compensation rate by January 1, 2011; and

- (11) Providing that the net surplus electricity compensation rate shall apply to net surplus electricity credits that have accrued for any 12-month reconciliation period that is in progress on September 1, 2010, and establishing payment schedules for the credits.

Sierra Club-Hawaii Chapter, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and Blue Planet Foundation testified in support of this bill. Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Kauai Island Utility Cooperative opposed this measure. PUC provided comments.

As discussed in PUC's testimony, your Committee finds that the PUC is already undergoing detailed analysis of the issues surrounding distributed generation and programs that support their implementation, including net energy metering and feed-in tariffs. As received, however, this measure seeks to make decisions on these programs and issues before a full and complete understanding of the record of dockets has been reached, and on-going investigations have been completed. While the proposals in this measure are likely well-intentioned to aggressively pursue the adoption of renewable energy technologies, your Committee finds it to be counter-productive as it would undermine all of the work and analysis that the PUC and the parties to the PUC dockets have already undertaken.

The PUC specifically states in their September 25, 2009, Decision and Order (Docket 2008-2073):

In some cases, certain parties have argued that it would be efficient to oversize projects in net energy metered locations if the generators were compensated for excess generation. The commission recognizes that this may be suboptimal in certain situations, but finds that allowing both NEM and the ability to sell excess generation at FIT rates provides excessive benefits to such customers at the expense of other ratepayers.

Your Committee finds, therefore, that the portions of the bill as received that allow compensation for producing surplus energy may help to incentivize and produce renewable energy generation through net energy metering, however, your Committee also finds that such an incentive at a certain threshold may result in an unbearable burden to other ratepayers who may have to pay for these credits. Further, there may be additional administrative costs for the utilities to administer and issue payments to surplus net-metered customer-generators. As a result, your Committee finds that the PUC should be given additional guidance in weighing all factors when implementing the net metering program.

Accordingly, your Committee has amended this bill by:

- (1) Deleting language that:
- (A) Establishes definitions for "net surplus customer-generator" and "net surplus electricity compensation rate";
 - (B) Amends the definition of "eligible customer-generator" to include customers who lease or purchase electricity from a qualifying facility;
 - (C) Increases eligible customer-generator maximum capacity from 50 kilowatts to two megawatts;
 - (D) Increases the total allowable generating capacity produced by customer-generators from 0.5 percent of a utility's peak demand to 15 percent of the customer-generators distribution feeder's penetration level or the penetration level that triggers additional technical study as determined by the PUC, whichever is higher;
 - (E) Extends the reconciliation period to 36 months and requires the electric utility to compensate the net surplus customer generator at the rate established by the PUC for any credits for excess electricity that remains unused after each reconciliation period;
 - (F) Changes to an unspecified amount the electricity production threshold that triggers the requirement that the PUC approve safety and performance standards for customer-generator systems;
 - (G) Requires the PUC to adopt best practices interconnection standards for certain renewable energy facilities by December 31, 2010;
 - (H) Requires the PUC to establish the net surplus electricity compensation rate by January 1, 2011; and
 - (I) Provides that the net surplus electricity compensation rate shall apply to net surplus electricity credits that have accrued for any 12-month reconciliation period that is in progress on September 1, 2010, and establishes payment schedules for the credits;
- (2) Inserting language that:
- (A) Authorizes the PUC to specify separate generating capacity requirements or limits for specified individual generation technologies;
 - (B) Requires the PUC to ensure that the impacts of net energy metering on rates charged to utility customers are reasonable; and
 - (C) Requires the PUC to take specified factors into consideration in determining generating capacity requirements or limits;
- (3) Replacing language in the purpose section with new language that reflects amendments made to the bill; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2488, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 878-10 Public Safety on S.B. No. 2919

The purpose of this bill is to increase safety at the Hawaii State Hospital (Hospital) by requiring the Department of Public Safety (PSD) to:

- (1) Provide security at the Hospital; and
- (2) In cooperation with the Department of Health, submit a report to the Legislature on appropriate security measures and short- and long-range plans to address the increasing and aging population of the Hospital.

The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, and several concerned individuals testified in support of this bill. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2919, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 879-10 Public Safety on S.B. No. 358

The purpose of this bill is to prohibit any person or government entity from seizing or confiscating a firearm or ammunition from a person with a lawful permit during any civil defense emergency or time of national crisis.

Hawaii Rifle Association and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 358, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 358, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 880-10 Consumer Protection & Commerce on S.B. No. 2494

The purpose of this bill is to:

- (1) Provide continuity in health care by requiring the Board of Trustees (Board) of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to offer an eligible employee-beneficiary or dependent-beneficiary coverage for prescription drug benefits that is identical to the coverage provided under the employee-beneficiary's or dependent-beneficiary's current plan (Part I); and
- (2) Improve access to the full range of health care services to Medicaid and QUEST members, by prohibiting the Department of Human Services (DHS) from requiring:
 - (1) Approval from DHS for a health plan under Medicaid or QUEST programs to deliver services using a telehealth service; or
 - (2) In-person visits to qualify any telehealth service for coverage under Medicaid or QUEST programs (Part II).

The Hawaii Government Employees Association supported this bill. The Hawaii Medical Service Association and the Hawaii Association of Health Plans supported Part II of this measure. The Department of Budget and Finance opposed this bill. DHS opposed Part II of this measure. The Hawaii Medical Association and the American Cancer Society submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying in Part I that the written explanation of benefits provided to EUTF beneficiaries is issued by the Board or Pharmacy Benefits Manager; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2494, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and Mizuno.

SCRep. 881-10 Consumer Protection & Commerce on S.B. No. 2599

The purpose of this bill is to provide for the early detection of colorectal-cancer by requiring health insurers to cover colorectal-cancer screening procedures graded A or B, as recommended by the United States Preventive Services Task Force.

The State Auditor, American Cancer Society, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and Association of Hawaiian Civic Clubs supported this bill. The Hawaii Association of Health Plans provided comments.

Your Committee has amended this bill by allowing health insurance providers the flexibility to inform their insured about the risks of colorectal-cancer without requiring that such information be provided in the insurance policy.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2599, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2599, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and Mizuno.

SCRep. 882-10 Consumer Protection & Commerce on S.B. No. 2600

The purpose of this bill is to protect the health and safety of people needing respiratory care by establishing a licensure program and regulatory standards for respiratory therapists in Hawaii.

Hawaii Medical Association, Hawaii Society for Respiratory Care, and a multitude of concerned individuals testified in support of this bill. Several concerned individuals supported the intent of this measure. The Department of Commerce and Consumer Affairs' Professional Licensing Division provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2600, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2600, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and Mizuno.

SCRep. 883-10 Consumer Protection & Commerce on S.B. No. 2859

The purpose of this bill is to amend the Motor Vehicle Industry Licensing Act to update the rights and liabilities between motor vehicle dealers and manufacturers.

The Hawaii Automobile Dealers Association and a concerned individual testified in support of this bill. The Department of Consumer Affairs' (DCCA) Regulated Industries Complaints Office and Office of Administrative Hearings, Motor Vehicle Industry Licensing Board (Board), Alliance of Automobile Manufacturers, and General Motors, LLC provided comments.

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

- (1) Removing the provisions relating to the detailed dispute resolution process in section one of the S.D. 2;
- (2) Amending the definition of "relevant market area" from a radius of 10 miles to six miles for populations of more than 500,000 residents;
- (3) Expanding the definition of "franchise agreement" to include agreements relating to dealership facilities, site control, customer satisfaction index requirements and sales performance;
- (4) Expanding the Board's ability to revoke, fine, or deny the renewal of any license where an applicant has willfully failed or refused to perform any unequivocal and indisputable obligation under any written agreement involving the sale or purchase of a motor vehicle or any interest therein;
- (5) Placing the section titled "reciprocal rights and obligations among dealers, manufacturers and distributors of motor vehicles" back into section 437-28(a)(21), Hawaii Revised Statutes (HRS), instead of creating a new section for these circumstances;

- (6) Lowering the threshold for provisions relating to the basis upon which a dealer could file a complaint for action to the Board in circumstances where a manufacturer requires a dealer to sign an agreement where non-Hawaii law applies, where a dealer is required to bring an action against the manufacturer or distributor in a venue outside of Hawaii, where a dealer is required to perform any act not required by or to refrain from performing any act that is not contrary to the reasonable requirements of the franchise agreement, or where a manufacturer requires a dealer to enter into any agreement that would relieve any person from liability or obligation under section 437-28(a) HRS;
- (7) Requiring a manufacturer or distributor to give written notice to the dealer and the Board of the manufacturer's intent to terminate, cancel, or fail to renew a franchise agreement at least 60 days prior to the effective date and to state the grounds for the decision, and delineating certain circumstances where a manufacturer or distributor may provide notice within 15 days of termination (such as where a dealer has abandoned the business or is otherwise engaging in behavior detrimental to the public);
- (8) Outlining a procedure whereby a dealer receiving such a notice could appeal to the Board for a determination as to whether such action is taken in good faith and supported by good cause and be immediately referred to a hearing officer for a decision pursuant to Title 8, Chapter 91-9 and that during the process, except in outlined circumstances, validity of the franchise agreement or a dealer's rights and remedies pursuant to the franchise agreement will not be affected;
- (9) Awarding a dealer whose franchise agreement is terminated or not renewed due to a discontinuation of a line make or where a manufacturer terminated or failed to renew without good faith or good cause, fair market value for the dealer's capital investment, which would include the going business value of the business, goodwill, property and improvement owned or leased by the dealer for the purpose of the franchise as of the effective date of termination or date of notice, whichever amount is greater;
- (10) Providing that a manufacturer or distributor shall not pay dealers a labor rate per hour for warranty work that is less than that charged by the dealer to its retail customers, and removing the procedure for establishing the labor rate;
- (11) Extending the time period from 30 to 45 days after receipt whereby a manufacturer or distributor must pay a dealer for an approved claim for repair work;
- (12) Removing certain restrictions relating to a manufacturer's ability to conduct a warranty or incentive audit;
- (13) Allowing a dealer to file a petition protesting a proposed chargeback amount within 30 days instead of 45 days of receipt of a written notice from the manufacturer or distributor of the proposed chargeback amount and providing that a chargeback protest would be referred to a hearing officer's decision as a contested case;
- (14) Prohibiting a manufacturer from unreasonably preventing or refusing to approve the relocation of a dealership to another site within the dealer's relevant market area;
- (15) Removing the requirement that a manufacturer or distributor providing notice of a franchise relocation to the Board and affected dealers identify within such a notice, the names and addresses of the dealer-operator, principal investors, and the identity of all same line make franchise dealers in the relevant market area;
- (16) Providing that where an affected dealer files a protest with the Board related to establishing or relocating an additional franchise within the dealer's relevant market area, the protest shall be immediately referred to a hearing officer as a contested case;
- (17) Allowing a dealer to file a petition against a manufacturer or distributor for unreasonably withholding consent to the sale, assignment, or transfer of a franchise to a qualified buyer capable of being licensed as a dealer within 60 days of a notice of denial and providing that such a protest would be referred to a hearing officer's decision as a contested case and requiring that a hearing take place within 90 days instead of 120 days from the date the petition is filed; and
- (18) Providing that a proposed successor filing a petition protesting a manufacturer or distributor's notice of refusal to honor the succession shall also be referred to a hearing officer's decision as a contested case.

Your Committee finds that the comments presented by the Hawaii Automobile Dealers Association and the Alliance of Automobile Manufacturers indicate that the parties are in ongoing discussions to attempt to achieve common ground. While the parties have achieved progress, more discussion is planned to continue to address the issues presented by this legislation and to address the concerns of DCCA and the Board relating to establishing and implementing a viable dispute resolution process. This measure, in its current form, reflects certain agreements reached thus far that will enable the parties to continue to work toward a resolution. Your Committee notes the defective date in this bill and is moving it along for further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2859, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and Mizuno.

SCRep. 884-10 Hawaiian Affairs on S.B. No. 2524

The purpose of this bill is to authorize the Governor to waive the requirements that Molokai Island Burial Council membership include regional, development, and large property owner representatives.

The Department of Land and Natural Resources testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2524, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 885-10 Education on S.B. No. 2068

The purpose of this bill is to eliminate the junior kindergarten program of the Department of Education (DOE) and allow children who are at least five years of age on or before August 1 of the school year to attend kindergarten, beginning with the 2011-2012 school year.

DOE and several concerned individuals testified in support of this bill. The Early Learning Council (ELC), Good Beginnings Alliance, Hawaii Association of Independent Schools, and a concerned individual opposed this measure. The Hawaii Educational Policy Center and Hawaii Association for the Education of Young Children offered comments.

Your Committee has amended this bill by replacing the contents of the bill with provisions that require DOE and ELC to work together on the development and submission of a plan to the Legislature for the integration of the cohort of children who would otherwise attend junior kindergarten into the early learning system.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2068, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2068, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Shimabukuro, Yamane and Ching.

SCRep. 886-10 Education on S.B. No. 2452

The purpose of this bill is to ensure that all students have a safe, efficient way to travel to school. Specifically, this bill requires the Department of Education (DOE), to the extent of available funding, to provide or subsidize the cost of suitable transportation to and from school for public school students in kindergarten to grade 12 and special education classes, except for those who attend public schools located in the Honolulu departmental district.

Gomes School Bus Service, Ltd., the Hawaii School Bus Association, and a concerned individual testified in support of this bill. DOE and a concerned individual offered comments.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2452, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2452, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Shimabukuro, Yamane and Ching.

SCRep. 887-10 Education on S.B. No. 2589

The purpose of this bill is to improve charter school administration and operations by, among other things:

- (1) Requiring the Department of Education (DOE) to consider making available vacant school facilities or portions of those facilities for use by charter schools;
- (2) Requiring the Charter School Review Panel (Panel) to determine a clear process with rigorous criteria for the reauthorization of charter schools;
- (3) Changing the charter school funding formula and other provisions relating to charter school finances to promote equitable funding for charter school students; and
- (4) Repealing the cap on the number of charter schools.

The Office of Hawaiian Affairs, a member of the Panel, and a concerned individual testified in support of this bill. DOE, Hawaii Charter Schools Network, Hawaii Technology Academy, and a concerned individual supported this measure with amendments. CSAO, Hookakoo Corporation, and Kamehameha Schools supported the intent of this bill. A concerned individual opposed this measure. The Governor's Administration, Department of Budget and Finance, Kanu o ka Aina New Century Public Charter School, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Deleting all provisions except those relating to facilities for charter schools; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2589, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Shimabukuro, Yamane and Ching.

SCRep. 888-10 Housing on S.B. No. 2164

The purpose of this bill is to provide additional protections for those who purchase condominiums by, among other things, requiring:

- (1) That the developer set aside a percentage of the initial sales price of each residential apartment in a condominium project to be used to fund the project's estimated replacement reserve fund;
- (2) Disclosure of the cost of all capital equipment installed in the project; and
- (3) That notice of amendments to project documents be provided to owners, purchasers, and potential purchasers and that amendments that effect a material change in the project will trigger a purchaser's statutory right of rescission for condominiums created after July 1, 2006.

The Real Estate Commission (Commission) provided comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that require that notice of amendments to project documents be provided to purchasers by means of amendments to the developer's public report submitted to the Commission; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Morita and Thielen.

SCRep. 889-10 Water, Land, & Ocean Resources on S.B. No. 2169

The purpose of this bill is to protect sharks by, among other things, prohibiting the harvest, possession, sale, or distribution of a shark or shark parts unless:

- (1) They are of a particular species landed whole and harvested under a commercial marine license; or
- (2) Permitted by a noncommercial permit issued by the Department of Land and Natural Resources (DLNR).

This bill also establishes fines and other penalties for a violation of its provisions.

Sierra Club-Hawaii Chapter, Hawaii Audubon Society, Conservation Council for Hawaii, The Humane Society of the United States, Shark Free Marina Initiative, and numerous concerned individuals testified in support of this bill. DLNR provided comments.

Your Committee has amended this bill by:

- (1) Requiring that exceptions to the prohibition against harvesting, possessing, selling, offering for sale, trading, transferring, or distributing sharks or shark parts be established by a preponderance of the evidence;
- (2) Deleting the provision authorizing DLNR to issue permits to harvest, possess, sell, offer for sale, trade, transfer, or distribute a shark or shark parts for noncommercial purposes;
- (3) Reinstating the provisions of section 188-40.5, Hawaii Revised Statutes, which was the original statutory provision prohibiting the harvesting of shark fins; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2169, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.B. No. 2169, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 890-10 Water, Land, & Ocean Resources/Agriculture on S.B. No. 2951

The purpose of this bill is to support the agriculture and ranching industries by providing that lessees of public land for agricultural or pastoral uses be fairly compensated when all or a portion of the land is withdrawn, condemned, taken for public uses, or otherwise made unusable.

The Hawaii Cattlemen's Council, Inc., Kuahiwi Ranch, McCandless Ranch, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources, Department of Transportation, Sierra Club-Hawaii Chapter, and Conservation Council for Hawaii opposed this measure.

Your Committees have amended this bill by:

- (1) Providing that if leased public land is withdrawn, condemned, or taken for public use, that prevents the lessee from using the land for the original intended use, the lessee is not required to pay the cost of any insurance required by BLNR to be maintained, or property tax, rather than reimbursing the lessee for those costs;
- (2) Providing that the provisions of this bill are only applicable to new leases entered into after the effective date of this Act;
- (3) Providing further that the fair compensation provisions, except for the provision relieving lessees of the obligation to pay insurance and taxes, shall only take effect if the withdrawal or taking occurs after half of the lease term has elapsed;
- (4) Inserting as Part II of the bill, the contents of House Bill No. 2290, H.D. 2, which provides for the establishment of the Agricultural Inspection and Certification Special Fund, to be used for the inspection and certification of imported and exported agricultural commodities;
- (5) Changing the effective date to July 1, 2010; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2951, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2951, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 891-10 Hawaiian Affairs on S.B. No. 2903

The purpose of this bill is to strengthen and ensure a continuum of Hawaiian language medium education from the early grades through college, by requiring the College of Hawaiian Language (College) at the University of Hawaii at Hilo (UH-Hilo), Department of Education (DOE), and Charter School Administrative Office (CSAO) to enter into an agreement regarding the College's functions related to Ke Kula o Nawahiokalaniopuu Public Charter School (School) and other laboratory schools.

The College and the State Representative from District 4 testified in support of this bill. CSAO opposed this measure.

Your Committee has amended this bill by deleting the provisions:

- (1) Requiring DOE and CSAO to provide to the College all of their written organizational, operational, and management materials and communications, as applicable to the School and other laboratory schools;
- (2) Requiring the College to translate and modify those materials as appropriate to meet the unique needs of the Hawaiian language and cultural curricula;
- (3) Allowing DOE and the College to determine and reach an agreement regarding other public education functions of DOE and CSAO, which the College may conduct for DOE and CSAO; and
- (4) Allowing the College to use funds that CSAO may transfer to it.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2903, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 892-10 Agriculture on S.B. No. 2523

The purpose of this bill is to exempt certain aggregate, cement, coal, and liquid bulk freight of foreign origin from the Inspection, Quarantine, and Eradication Service Fee (Fee).

AES Hawaii, Inc.; Grace Pacific Corporation; Hawaiian Cement; Hawaii Ship Agents Association; and Alexander & Baldwin, Inc., testified in support of this bill. Western States Petroleum Association supported the intent of this measure. The Department of Agriculture (DOA) supported this bill.

with amendments. Conservation Council for Hawaii and Hawaii Farm Bureau Federation opposed this measure. The Department of the Attorney General, The Nature Conservancy of Hawaii, and Hawaii Food Industry Association provided comments.

Your Committee has amended this bill by:

- (1) Amending the definition of "aggregate bulk freight";
- (2) Providing a timeline for payment of the fee;
- (3) Including language from H.B. No. 2294, H.D. 1 that, among other things:
 - (A) Clarifies and expands the purposes for which funds may be expended from the Pest Inspection, Quarantine, and Eradication Fund (Fund);
 - (B) Imposes fines for failure to timely pay, bill, or remit the Fee, requires the deposit of fines into the Fund, and waives Fees accrued prior to the effective date of the Act;
 - (C) Provides that certification fees, nursery stock certificate fees, and certificates for shipment fees be deposited into the Fund;
 - (D) Repeals the Permit Revolving Fund and Microorganism Import Certification Revolving Fund and transfers moneys in those funds into the Fund;
 - (E) Sets a fee schedule for inspection and certification performed by DOA to go into effect October 1, 2010, if DOA has not adopted or amended existing rules regarding the fee by September 30, 2010; and
 - (F) Makes an unspecified appropriation from the Fund for purposes of the Fund;
- (4) Waiving inspection, quarantine, and eradication fees that accrued prior to the enactment of this bill; provided that the fees were exempted by this bill;
- (5) Changing the effective date to July 1, 2010; provided that sections 2 and 3, upon approval, shall take effect retroactive to July 1, 2007; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2523, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2523, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 893-10 Agriculture on S.B. No. 2527

The purpose of this bill is to amend the definition of "agricultural commodity" to include milk, eggs, poultry, and llamas and other livestock of the bovine, equine, swine, sheep, or goat species and the carcasses of meat of those species.

Hawaii Farm Bureau Federation; Young Brothers, Limited; Hawaii Cattlemen's Council, Inc.; and Associate Producers Corporation testified in support of this bill. The Department of Agriculture (DOA) supported this measure with amendments. Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Amending the definition of "agricultural commodity" to include milk or meat which has been produced in the state and live animals included in section 142-49, excluding the carcasses of horses or llamas;
- (2) Adding the entire contents of H.B. No. 2290, H.D. 1., which does the following:
 - (A) Establishes the Agricultural Inspection and Certification Special Fund (Fund) to be used under DOA for inspection, certification, weighing, or grading of agricultural commodities;
 - (B) Requires all fees, charges, and penaltys collected by DOA for these activities to be deposited in the Fund;
 - (C) Allows DOA to enter into agreements with government and private agencies to hire inspectors to inspect and certify fruits, vegetables, nuts, honey, and coffee;
 - (D) Repeals the Certification Services Revolving Fund (Revolving Fund) and transfers its moneys and unpaid obligations of the on June 30, 2010, to the Fund;
 - (E) Requires DOA to adopt fees sufficient to pay the cost of agricultural inspection and certification; and
 - (F) Appropriates funds from the Fund for DOA's agricultural inspection and certification program.

- (3) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 894-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2144

The purpose of this bill is to allow important state economic development programs to continue their work during the recession by:

- (1) In part I of the bill, transferring the television and film industry responsibilities of the Department of Business, Economic Development, and Tourism (DBEDT), to a Hawaii Film Office (Office) established within the Hawaii Tourism Authority (HTA), and authorizing the Office to administer the Motion Picture, Digital Media, and Film Production Income Tax Credit; and
- (2) In part II of the bill, requiring that moneys in the Hawaii Community-Based Economic Development Revolving Fund be used to fund the operational and staff costs of the Community-Based Economic Development Program and Enterprise Zone Program.

HTA supported the intent of this bill in part. DBEDT opposed this bill. Hawaii Film and Entertainment Board commented on this measure.

Your Committee finds that during the current economic crisis, policies that would place the State in a perilous fiscal position should not be pursued. Accordingly, your Committee has amended this bill by replacing the provisions of part I with the substance of H.B. No. 2984, H.D. 2, a bill that passed out of your Committee earlier this session.

As amended, part I extends the Tax Credit for Research Activities for an additional year, and repeals the remaining tax credits of Act 221, Session Laws of Hawaii 2001. In taking this fiscally responsible course your Committee notes that the Tax Credit for Research Activities has played a significant role in generating jobs and opportunities for start-up firms in the State's high technology industry and helps to ensure the health and well-being of an entire industry.

In addition, the effective date of this bill has been changed to July 1, 2020, to encourage further discussion and reflect the effective date of H.B. No. 2984, H.D. 2.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2144, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 895-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2291

The purpose of this bill is to encourage increased competition and lowered costs in government procurements by requiring:

- (1) The State Procurement Office (SPO) to authorize reseller agreements under Western States Contracting Alliance (WSCA) multi-state contracting agreements; and
- (2) SPO to place orders directly with local resellers.

The High Technology Development Corporation supported the intent of this bill. SPO and Department of Accounting and General Services provided comments.

WSCA is an alliance of purchasing directors from 15 western states whereby participating states capture the best pricing through cooperative contracting. Once a brand determination is made by WSCA, there is no incentive for the chosen contractor to offer additional discounts below the negotiated price. If contractors use resellers, or servicing contractors, to sell a contractor's products, the resellers compete for buyers by offering additional discounts. This bill ensures that Hawaii reaps the benefits of this kind of competition.

Your Committee has amended this bill by:

- (1) Replacing the term "local resellers" with "resellers located within the state";
- (2) Directing that the Chief Procurement Officer, rather than SPO, authorize reseller agreements and place orders with resellers located within the state;
- (3) Limiting this bill to procurements of information technology; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2291, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2291, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 896-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2548

The purpose of this bill is to improve the administration of the State's information technology (IT) resources by:

- (1) Establishing a full-time Chief Information Officer (CIO) to organize, manage, and oversee the state IT;
- (2) Creating an IT Steering Committee (Steering Committee), including representatives of large information technology user agencies of the Executive, Judicial, and Legislative Branches to assist the Chief Information Officer;
- (3) Creating Shared Services Technology Special Fund into which a percentage of the special fund assessments for government central service expenses is to be deposited and used to fund the activities of the CIO and Steering Committee; and
- (4) Providing that the departmental administrative expenses which each special fund must reimburse under section 36-30, Hawaii Revised Statutes, include the implementation of IT policies developed by the CIO and Steering Committee.

The Hawaii Medical Service Association supported this bill. The High Technology Development Corporation supported the intent of this measure. The Office of the Governor and Department of Accounting and General Services opposed this bill. The Department of Budget and Finance and Department of the Attorney General provided comments.

During tough economic times, the private sector looks to IT for solutions. This bill will allow the State to review and improve its own management of IT and to more effectively use IT to meet the difficult challenge of providing public services with reduced resources.

Your Committee finds that implementation of this bill involves the establishment of a cabinet-level position, and a determination must be made as to whether this would fit into the overall financial plan for the State. To encourage further discussion of this measure, your Committee has changed its effective date to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2548, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2548, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 897-10 Economic Revitalization, Business, & Military Affairs on S.B. No. 2775

The purpose of this bill is to improve the publicity rights trade name law by, among other things:

- (1) Renaming "publicity rights trade name" as "publicity rights name" to distinguish it from trade names and trademarks;
- (2) Specifying procedures for registering a publicity rights trade name; and
- (3) Limiting the term of registration to five years and allowing renewal of the registration.

The Business Registration Division of the Department of Commerce and Consumer Affairs (DCCA) supported this bill.

Your Committee finds that the amendments made by this bill will improve the process of registering publicity rights trade names under the publicity rights chapter, which was established last year by Act 29, Special Session Laws of Hawaii 2009. The amendments will eliminate confusion and allow DCCA to more efficiently implement the registration process.

Your Committee has amended this bill to encourage further discussion by changing its effective date to July 1, 2112. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2775, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2775, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 898-10 Economic Revitalization, Business, & Military Affairs/Tourism, Culture, & International Affairs on S.B. No. 2646

The purpose of this bill is to recognize the importance of Hawaii's surfing sites by designating the surf breaks off of Waikiki, and the area from Haleiwa to Sunset Beach on Oahu, as Hawaii Surfing Reserves.

Historic Hawaii Foundation, National Surfing Reserves, International Surfing Association, Save The Waves Coalition, Surfers' Environmental Alliance, Surfrider Foundation-Hawaii Chapters, WiLD Coast, and several concerned individuals supported this bill. The Department of Land and Natural Resources, Save Our Surf, and a concerned individual provided comments.

The sport of surfing was born in Hawaii, and the surf at Waikiki and Oahu's North Shore is famous, world-wide. Surfing is an intrinsic, priceless part of the lives of Hawaii's residents. This bill would recognize the cultural, environmental, sporting, and historical significance of Hawaii's surfing sites.

Your Committees find that there are important surf sites on all of the major islands of Hawaii that should be considered for designation as Hawaii Surfing Reserves. After discussion, your Committees included a neighbor island surf spot in the reserve program as a way to facilitate further discussion.

Noting the outpouring of support from the community as well as several citizen groups, your Committees have amended this bill to include Honolua Bay in the Hawaii Surfing Reserve program. Your Committees note that besides being one of the most famous surfing spots in the neighbor islands and being the venue for several high profile championship men's and women's surfing, and body boarding events, the involvement of the community in preserving and enhancing Honolua Bay, as well as its designation as a marine life conservation district warrant its inclusion in the program and is consistent with the underlying intent of the bill.

Accordingly, your Committees have amended this bill by:

- (1) Adding the surf breaks off of Honolua Bay on the island of Maui, from Kaupueo Point to Kalaepiha Point, and including Hononaaahu Point, Miloiki Point, and Puiwa Point, to the Hawaii Surfing Reserves established under this bill;
- (2) Providing that the Waikiki Hawaii Reserve extends from Kewalo Basin to the Waikiki War Memorial Natatorium, rather than from the Ala Wai;
- (3) Adding stand-up paddle boarding to the examples of activities undertaken by a surfer; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Tourism, Culture, & International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2646, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2646, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

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

SCRep. 899-10 Judiciary on S.B. No. 2378

The purpose of this bill is to require, beginning on January 1, 2014, members of the Office of Hawaiian Affairs (OHA) Board of Trustees (Board) to be nominated at a primary election and elected at the general election, rather than be elected at a special election held in conjunction with the general election.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2378, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Morita and B. Oshiro.

SCRep. 900-10 Judiciary on S.B. No. 2752

The purpose of this bill is to provide for the recovery of reasonable costs associated with investigating tax crimes when a taxpayer is convicted of a tax offense or has a conviction deferred.

The Department of Taxation testified in support of this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee finds that requiring those whose guilty or nolo contendere plea is deferred to pay for the costs of investigation in all cases would be unduly harsh and may have a chilling effect on such pleas. By exempting guilty or nolo contendere pleas that are deferred from the absolute requirement to pay the costs of criminal reimbursement, your Committee believes that such payments may, where appropriate, be required as a condition of the plea.

Your Committee has amended this bill by:

- (1) Removing the requirement that those whose guilty or nolo contendere plea is deferred pay for the reasonable costs of the criminal investigation;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2752, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 901-10 Judiciary on S.B. No. 930

The purpose of this bill is to ensure access to volunteer professional medical services by providing medical expenses and immunity from civil liability for licensed medical personnel providing volunteer assistance services on behalf of the State or a county.

The Department of Health and Hawaii Medical Association testified in support of this bill.

Your Committee has amended this bill by:

- (1) Including physician assistants in the types of volunteer medical assistance personnel covered by the provisions of this bill; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 930, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 930, H.D. 2.

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

SCRep. 902-10 Judiciary on S.B. No. 950

The purpose of this bill is to improve the safety of the State's law enforcement officers including the conservation and resources enforcement officers of the Department of Land and Natural Resources (DLNR), by allowing their use of electric guns.

The Department of Public Safety (PSD); Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; The Nature Conservancy of Hawaii; and several concerned individuals testified in support of this bill. DLNR supported this measure with amendments. The American Civil Liberties Union of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Specifying that the nationally-recognized law enforcement accreditation or credentialing program from which law enforcement accreditation or recognition is required prior to purchasing the electric guns, is to be the Commission of Accreditation for Law Enforcement Agencies (CALEA);
- (2) Deleting language requiring DLNR and PSD to conduct training concurrently for cost-savings purposes; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 950, S.D. 2, H.D. 2.

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

SCRep. 903-10 Judiciary on S.B. No. 2818

The purpose of this measure is to change the roles of the director of the Office of Environmental Quality Control and the Environmental Council with regard to administration of the environmental review process.

Specifically, this measure amends Chapter 341, Hawaii Revised Statutes, by:

- (1) Reducing the size of the Environmental Council from 15 to nine members;
- (2) Revising the role of the Director of the Office of Environmental Quality Control to consist of administrative and advisory duties in support of the Environmental Council;
- (3) Revising the role of the Environmental council to include advising the Governor on environmental quality matters and rulemaking to implement Chapters 341 and 343, Hawaii Revised Statutes; and
- (4) Requiring the office to comply with several unfunded mandates such as:
 - (A) Creating an electronic communication system;
 - (B) Submitting an annual report to the Governor and Legislature analyzing the effectiveness of the State's environmental review system;
 - (C) Conducting statewide workshops; and
 - (D) Publishing an annual environmental review guidebook or supplement.

The Water Resources Research Center and Environmental Center of the University of Hawaii testified in support of this bill. The Office of Hawaiian Affairs and Nature Conservancy of Hawaii supported the intent of this measure. The Department of the Attorney General, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Outdoor Circle, Land Use Research Foundation of Hawaii, and a concerned individual testified in opposition to this measure. The Department of Budget and Finance and Department of Planning and Permitting of the City and County of Honolulu provided comments.

Your Committee notes that a working group has been assembled to address concerns regarding changes to Hawaii's environmental review policy, which were proposed in this bill when it was introduced. Although this bill is being kept alive so that the working group may have more time to refine its proposed measure, your Committee has grave concerns regarding the lack of public notice that will attend any backdoor insertion of new provisions.

Your Committee has amended this measure by changing the effective date to December 21, 2058.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2818, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2818, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Wakai.
(Representative Marumoto voted no.)

SCRep. 904-10 Judiciary on S.B. No. 2863

The purpose of this bill is to expand the ability of state and county agencies to pursue reimbursement of outstanding motor vehicle debts by:

- (1) Allowing the county Director of Finance to record the notice of judgments as an encumbrance payable to a county on any registered motor vehicle;
- (2) Requiring the county Director of Finance to establish the payment of judgments payable to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership;
- (3) Prohibiting the State, county, or any political subdivision from being charged a fee for any entry made in the tax lien and encumbrance record; and
- (4) In section 3, providing, for a period of eighteen months from the passage of this bill, the State and the counties with the absolute power to settle and discharge any and all judgments, claims, liens and encumbrances for an amount not less than what the debtor would have paid had timely payment been made prior to such judgment, claim, lien, or encumbrance.

The Judiciary testified in opposition to House Draft 1 and, particularly, section 3 of the bill. The Department of Customer Services of the City and County of Honolulu provided comments. The Department of the Attorney General and a concerned individual testified in support.

Your Committee has amended this bill by changing the effective date to December 21, 2058.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2863, S.D. 2, H.D. 2.

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

SCRep. 905-10 Water, Land, & Ocean Resources on S.B. No. 2828

The purpose of this bill is to facilitate the provision of land and collection of fees for new or expanded school facilities in areas expecting a large amount of residential growth, by clarifying the law pertaining to school impact fees.

The Department of Education (DOE) and Charter Schools Administrative Office provided comments.

Your Committee has amended this bill by:

- (1) Providing that DOE is required to update the statewide level of services, instead of percentages of students enrolled at each school level in permanent or portable classrooms;
- (2) Clarifying that the initial school site area averages are based on historic schools construction data from 1997 to 2007;
- (3) Clarifying that the "student generation rate" for a school impact district is to be based on analysis of the existing number of residential units and public school students in an area, and the student generation rates of comparable projects and areas;
- (4) Clarifying that the provision requiring certain new residential developments to fulfill the land dedication or fee in lieu requirement and construction cost component impact fee requirement applies to government housing projects;
- (5) Regarding the impact fee analysis that is required of DOE upon designation of a school impact district:
 - (A) Removing the analysis of the percentages of existing statewide student enrollment at each school level that are located in permanent structures, as opposed to portable buildings;

- (B) Reinstating the analysis of appropriate school land area and enrollment capacity, and including other appropriate state lands in the analysis; and
- (C) Inserting a statewide classroom utilization report;
- (6) Changing the effective date to upon its approval; and
- (7) Making other technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2828, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 906-10 Judiciary on S.B. No. 2716

The purpose of this bill is to replace current child protective statutes with a new Child Protective Act to ensure conformity with federal Title IV-E provisions.

The Department of Human Services and Blue Print for Change testified in support of this bill. The Legal Aid Society of Hawaii; National Association of Social Workers, Hawaii Chapter; and a concerned individual supported this measure with amendments. The Judiciary and a concerned individual provided comments.

Your Committee has amended this bill, inter alia, to clarify that the purpose of this bill is to promote and ensure that the "best interest of the child" and the child's health, welfare, and safety, are protected. These amendments relate to, inter alia, the purpose clause, definitions, requiring that the court require order to be made after determining that the "best interest of the child" is met and included further oversight by the court in certain stages of the protection process.

Your Committee has also amended this bill, inter alia, by making technical, nonsubstantive amendments to comply with federal Title IV-E provisions to continue receipt of federal funding.

The amendments contained in the H.D. 2, are the result of a compilation of testimonies received during the hearing, including testimonies from the Department of Human Services, private attorneys, and child protective services.

Your Committee also understands that further work may be needed to refine the language of this bill and that these amendments may be made as this bill moves forward.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2716, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Morita and B. Oshiro.

SCRep. 907-10 Judiciary on S.B. No. 2897

The purpose of this bill is to promote safety on Hawaii's roadways by enacting the recommendations of the Hawaii Ignition Interlock Implementation Task Force (Task Force) established under Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Prohibits an individual, who has been restricted to operating a vehicle with an ignition interlock device, from knowingly circumventing or tampering with the device to operate the vehicle, and provides for penalties for such a violation;
- (2) Prohibits individuals from knowingly assisting or abetting the circumvention or tampering of an ignition interlock device and provides penalties for such actions;
- (3) Provides for a definition of "valid license" and repeals the definition of "highly intoxicated driver";
- (4) Repeals evidence of intoxication parameters for highly intoxicated drivers;
- (5) Specifies that ignition interlock devices be certified by an independent laboratory to meet or exceed the guidelines published by the National Highway Traffic Safety Administration;
- (6) Provides for the annual auditing of the vendor selected for the installation and maintenance of ignition interlock devices by the Department of Transportation (DOT), and authorizes the Director of DOT to require the vendor to pay for all or part of the costs incurred in conducting the audit;
- (7) Requires a respondent to keep an ignition interlock device installed and operating in any vehicle the respondent operates during a revocation period if the respondent had a valid driver's license at the time of the arrest;

- (8) Requires a respondent to obtain an ignition interlock permit to operate a vehicle during the revocation period if the respondent had a valid license at the time of arrest;
- (9) Provides for notice of the date by which outstanding motor vehicle number plates must be surrendered, and that failure to surrender the plates as required is a misdemeanor offense;
- (10) Eliminates probationary provisions for convicted second and third offenders and provides for the existing practice of "proof of compliance" to be used for all convicted offenders;
- (11) Provides for the loss of the privilege to operate a motor vehicle equipped with an ignition interlock device upon conviction of operating a vehicle after a license has been suspended or revoked for operating a vehicle under the influence of an intoxicant; and
- (12) Establishes the financial conditions that must be met to receive assistance for the installation and the periodic calibration charges for ignition interlock devices.

The Task Force, DOT, Department of the Attorney General, Department of Health, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, and Mothers Against Drunk Driving HAWAII testified in support of this bill. The Office of the Public Defender supported the intent of this bill. The Administrative Driver's License Revocation Office of the Judiciary provided comments.

Your Committee understands that to criminalize refusal to submit to a breath, blood, or urine test infringes upon important personal rights that in the past the Legislature has protected. Your Committee is mindful that such a law can result in a situation where the arrestee is convicted of refusal when the test results would have indicated that the arrestee was not guilty of intoxicated driving. However, your Committee finds that discussion on this matter should not impede the legislative progress of this important measure. Your Committee wishes to move the bill along to leave the discussion open.

Your Committee has amended this bill by:

- (1) Specifying that the director of DOT shall contract with the selected ignition interlock vendor to provide partial financial relief for the installation and the periodic calibration charges to offenders who apply for assistance for the installation and the periodic calibration charges for ignition interlock devices;
- (2) Correcting a statutory reference in the bill to reference section 291E-41(g); and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Luke and B. Oshiro.

SCRep. 908-10 Hawaiian Affairs on H.R. No. 59

The purpose of this resolution is to ensure the restoration of Hawaiian fishponds by requesting state departments to use traditional Hawaiian names when identifying fishponds.

The Pacific American Foundation, Maunaloa Fishpond Heritage Center, Kawai Nui Heritage Foundation, Association of Hawaiian Civic Clubs, and numerous concerned individuals testified in support of this resolution. The Department of Land and Natural Resources (DLNR) and the Kanaka Council Moku O Keawe provided comments.

Your Committee was informed by DLNR that the United States Geological Survey (USGS) is currently updating a surface water database that will be used nationwide, and that DLNR will confirm with USGS the feasibility of including the traditional Hawaiian names in this database. Your Committee finds that inclusion of the traditional Hawaiian names in this database will further enhance this measure by ensuring that the traditional Hawaiian names are used consistently to refer to these fishponds. Accordingly, your Committee has amended this resolution by inserting a request for DLNR to work with USGS and the Hawaii Board on Geographic Names to ensure that the traditional Hawaiian names of fishponds are used in the USGS' update of the official map or database of surface waters for Hawaii.

Your Committee has further amended this measure by including many Hawaiian organizations to the distribution list in an effort to solicit their assistance and cooperation in correctly identifying fishponds by their traditional Hawaiian names.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.R. No. 59, H.D. 1.

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

SCRep. 909-10 Hawaiian Affairs on H.C.R. No. 109

The purpose of this concurrent resolution is to ensure the restoration of Hawaiian fishponds by requesting state departments to use traditional Hawaiian names when identifying fishponds.

The Pacific American Foundation, Maunalua Fishpond Heritage Center, Kawai Nui Heritage Foundation, Association of Hawaiian Civic Clubs, and numerous concerned individuals testified in support of this concurrent resolution. The Department of Land and Natural Resources (DLNR) and the Kanaka Council Moku O Keawe provided comments.

Your Committee was informed by DLNR that the United States Geological Survey (USGS) is currently updating a surface water database that will be used nationwide, and that DLNR will confirm with USGS the feasibility of including the traditional Hawaiian names in this database. Your Committee finds that inclusion of the traditional Hawaiian names in this database will further enhance this measure by ensuring that the traditional Hawaiian names are used consistently to refer to these fishponds. Accordingly, your Committee has amended this concurrent resolution by inserting a request for DLNR to work with USGS and the Hawaii Board on Geographic Names to ensure that the traditional Hawaiian names of fishponds are used in the USGS' update of the official map or database of surface waters for Hawaii.

Your Committee has further amended this measure by including many Hawaiian organizations to the distribution list in an effort to solicit their assistance and cooperation in correctly identifying fishponds by their traditional Hawaiian names.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.C.R. No. 109, H.D. 1.

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

SCRep. 910-10 Hawaiian Affairs on H.R. No. 56

The purpose of this resolution is to support the Native Hawaiian Hospitality Association and its Ola Hawaii program as dynamic contributors to the betterment of the conditions and relationships between Hawaiians and the visitor industry of Hawaii.

The Association of Hawaiian Civic Clubs testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 911-10 Hawaiian Affairs on H.C.R. No. 105

The purpose of this concurrent resolution is to support the Native Hawaiian Hospitality Association and its Ola Hawaii program as dynamic contributors to the betterment of the conditions and relationships between Hawaiians and the visitor industry of Hawaii.

The Association of Hawaiian Civic Clubs testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 912-10 Hawaiian Affairs on H.C.R. No. 106

The purpose of this concurrent resolution is to urge the State and Hawaii's Congressional Delegation to support the emerging Traditional Knowledge Supplement to the Ocean Literacy Principles.

The Association of Hawaiian Civic Clubs provided comments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106 and recommends that it be referred to the Committees on Higher Education and Education.

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

SCRep. 913-10 Hawaiian Affairs on H.C.R. No. 9

The purpose of this concurrent resolution is to urge the Office of Hawaiian Affairs (OHA) to convene a task force to consider the merits of creating in or near Hana, Maui, a monument to Queen Kaahumanu in collaboration with Hawaiian organizations, respected kupuna in the Hawaiian community, and the Department of Land and Natural Resources (DLNR).

DLNR; Ahahui Kaahumanu of Honolulu, Chapter 1; Friends of Iolani Palace; and a concerned individual opposed this concurrent resolution. OHA provided comments.

Your Committee finds that a community group that includes the Ahahui Kaahumanu—Chapter XI, Hana, Maui, is already working on the design, financing, placement, and land transfer for the creation of a life-size statue of Queen Kaahumanu and a surrounding educational park area in Hana, Maui. Accordingly, your Committee has amended this concurrent resolution by:

- (1) Deleting language urging OHA to convene a task force to consider the merits of creating a monument to Queen Kaahumanu;
- (2) Changing the title to read:

"SUPPORTING THE EFFORTS OF THE COMMUNITY GROUP PLANNING FOR THE CREATION OF A MONUMENT TO HONOR QUEEN KAAHUMANU IN OR NEAR HANA, MAUI";
- (3) Requesting state agencies, private businesses, and community organizations to cooperate with and support the efforts of the community group planning for the creation of a monument to honor Queen Kaahumanu in or near Hana, Maui; and
- (4) Specifically requesting DLNR to assist the community group in locating and setting aside an appropriate piece of public land for the creation of the monument.

This concurrent resolution has also been amended by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 9, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 9, H.D. 1.

Signed by all members of the Committee except Representative Yamane.

SCRep. 914-10 Labor & Public Employment on H.R. No. 127

The purpose of this resolution is to request the establishment of a joint government and private sector human resources task force to study the simplification of job classifications within state government and the streamlining of operations between the Department of Human Resources Development and line departments.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 127 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 915-10 Labor & Public Employment on H.C.R. No. 194

The purpose of this resolution is to request the establishment of a joint government and private sector human resources task force to study the simplification of job classifications within state government and the streamlining of operations between the Department of Human Resources Development and line departments.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

SCRep. 916-10 Transportation on H.R. No. 53

The purpose of this resolution is to request the County of Maui in conjunction with the Department of Transportation, to conduct a feasibility study to determine the cost and steps needed to construct a fixed-rail system of transportation connecting the Kahului-Wailuku area, Kihei, and Lahaina on the island of Maui.

The State Department of Transportation and Maui County Department of Transportation opposed this resolution.

Your Committee finds that these towns are favorite destinations of visitors to Maui and the roads connecting them are heavily traveled.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 917-10 Transportation on H.C.R. No. 101

The purpose of this concurrent resolution is to request the County of Maui in conjunction with the Department of Transportation, to conduct a feasibility study to determine the cost and steps needed to construct a fixed-rail system of transportation connecting the Kahului-Wailuku area, Kihei, and Lahaina on the island of Maui.

The State Department of Transportation and Maui County Department of Transportation opposed this concurrent resolution.

Your Committee finds that these towns are favorite destinations of visitors to Maui and the roads connecting them are heavily traveled.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 918-10 Transportation on H.R. No. 95

The purpose of this resolution is to request the State Department of Transportation and the City and County of Honolulu Department of Transportation to implement a pedestrian flag safety program.

The State Department of Transportation opposed this measure.

Your Committee finds that flag waving by pedestrians crossing streets will gain motorists' attention and provide for increase safety to pedestrians.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 95 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 919-10 Transportation on H.C.R. No. 157

The purpose of this concurrent resolution is to request the State Department of Transportation and the City and County of Honolulu Department of Transportation to implement a pedestrian flag safety program.

The State Department of Transportation opposed this measure.

Your Committee finds that flag waving by pedestrians crossing streets will gain motorists' attention and provide for increase safety to pedestrians.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 920-10 Transportation on H.R. No. 99

The purpose of this resolution is to request a study of morning traffic congestion on the Meheula Parkway going onto the H2 freeway from Mililani Mauka.

The State Department of Transportation testified in opposition to this resolution. The Mililani Mauka/Launani Valley Neighborhood Board No 35 strongly support this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 99 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 921-10 Transportation on H.C.R. No. 161

The purpose of this concurrent resolution is to request a study of morning traffic congestion on the Meheula Parkway going onto the H2 freeway from Mililani Mauka

The State Department of Transportation testified in opposition to this concurrent resolution. The Mililani Mauka/Launani Valley Neighborhood Board No. 35 strongly support this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 922-10 Transportation on H.R. No. 134

The purpose of this resolution is to request the State Department of Transportation to determine the feasibility of establishing and using a solar powered highway lighting system along Hawaii's highways.

The State Department of Transportation supports the use of clean, renewable energy but does not support this resolution.

A concerned individual submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 134 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 923-10 Transportation on H.C.R. No. 206

The purpose of this concurrent resolution is to request the State Department of Transportation to determine the feasibility of establishing and using a solar powered highway lighting system along Hawaii's highways.

The State Department of Transportation supports the use of clean, renewable energy but does not support this concurrent resolution.

A concerned individual submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 924-10 Transportation on H.R. No. 101

The purpose of this resolution is to request the State Department of Transportation and the Honolulu Police Department to recommend increased penalties for the offense of habitually operating a vehicle under the influence of an intoxicant.

The State Department of Transportation opposed this measure.

The Mothers Against Drunk Driving HAWAII (MADD) provided suggestions to this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 101 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 925-10 Transportation on H.C.R. No. 164

The purpose of this concurrent resolution is to request the State Department of Transportation and the Honolulu Police Department to recommend increased penalties for the offense of habitually operating a vehicle under the influence of an intoxicant.

The State Department of Transportation opposed this measure.

The Mothers Against Drunk Driving HAWAII (MADD) provided suggestions to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 926-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 105

The purpose of this resolution is honor the sacrifices of members of the Armed Forces in preserving the nation's liberties by requesting the Office of Veterans' Services (OVS), Department of Accounting and General Services, and Department of Defense (DOD) to develop a plan to create memorials to the veterans of the Persian Gulf War and Afghanistan-Iraq War and to women veterans of World War II on the grounds of the State Capitol near the Korean and Vietnam War Memorial.

OVS supported the intent of this resolution.

Your Committee heard testimony that memorials are usually developed at the end of a conflict to recognize all members of the Armed Forces who served. Accordingly, your Committee has amended this measure by removing the memorial to veterans of the Afghanistan-Iraq War, which is still ongoing.

As amended, this resolution requests OVS to create a memorial to the veterans of the Persian Gulf War, and women veterans of World War II.

For consistency, the title has also been amended to read: "REQUESTING THE OFFICE OF VETERANS' SERVICES, ASSISTED BY THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES AND THE DEPARTMENT OF DEFENSE, TO DEVELOP A PLAN TO CREATE MEMORIALS TO THE VETERANS OF THE PERSIAN GULF WAR AND WOMEN VETERANS OF WORLD WAR II ON THE GROUNDS OF THE STATE CAPITOL NEAR THE KOREAN AND VIETNAM WAR MEMORIAL."

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 105, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 105, H.D. 1.

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

SCRep. 927-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 169

The purpose of this concurrent resolution is honor the sacrifices of members of the Armed Forces in preserving the nation's liberties by requesting the Office of Veterans' Services (OVS), Department of Accounting and General Services, and Department of Defense (DOD) to develop a plan to create memorials to the veterans of the Persian Gulf War and Afghanistan-Iraq War and to women veterans of World War II on the grounds of the State Capitol near the Korean and Vietnam War Memorial.

OVS supported the intent of this concurrent resolution.

Your Committee heard testimony that memorials are usually developed at the end of a conflict to recognize all members of the Armed Forces who served. Accordingly, your Committee has amended this measure by removing the memorial to veterans of the Afghanistan-Iraq War, which is still ongoing.

As amended, this concurrent resolution requests OVS to create a memorial to veterans of the Persian Gulf War, and women veterans of World War II.

For consistency, the title has also been amended to read: "REQUESTING THE OFFICE OF VETERANS' SERVICES, ASSISTED BY THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES AND THE DEPARTMENT OF DEFENSE, TO DEVELOP A PLAN TO CREATE MEMORIALS TO THE VETERANS OF THE PERSIAN GULF WAR AND WOMEN VETERANS OF WORLD WAR II ON THE GROUNDS OF THE STATE CAPITOL NEAR THE KOREAN AND VIETNAM WAR MEMORIAL."

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 169, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 169, H.D. 1.

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

SCRep. 928-10 Transportation on S.C.R. No. 76

The purpose of this measure is to promote highway safety by requesting the Department of Transportation (DOT) to coordinate a study with the transportation department of each of the respective counties and with interested stakeholders to recommend changes to current laws to accommodate the safe and proper operation of bicycles, mopeds, two-seat mopeds, Segways, hybrid bicycles, and powerful mopeds.

DOT and the Hawaii Bicycling League testified in support of this Concurrent Resolution. The Representative from the 19th District and a concerned individual testified in support of this measure with amendments.

The rising cost of oil has caused increases in petroleum-derived products including gasoline. With escalating fuel prices, individuals have sought to use other, more fuel efficient means of transportation. These methods of transportation have included bicycles, various types of mopeds, Segways, and electric bicycles. However, statutes relating to the safe operation of these types of vehicles, as well as newer methods of transportation on Hawaii's roadways are either silent or do not exist. This has caused a great deal of confusion as to the permitted and safe operation of these devices on Hawaii's roadways. This measure is an attempt at resolving these issues.

Your Committee notes that all-terrain vehicles, or ATVs, are becoming increasingly popular recreational vehicles and have also been used for transportation, although the use of these vehicles on Hawaii's roadways is prohibited. Including ATVs as part of this study will help to develop a comprehensive resolution of the issues addressed by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Including ATVs as part of the DOT study to recommend changes to current laws to accommodate the use of various vehicles;
- (2) Inserting language describing the use of ATVs on Hawaii's roadways and some statistics regarding the fatalities associated with ATVs;
- (3) Changing the title of the measure to read: "REQUESTING A STUDY TO RECOMMEND STATUTORY AMENDMENTS TO ADDRESS THE SAFE AND PROPER OPERATION OF BICYCLES, MOPEDS, TWO-SEAT MOPEDS, SEGWAYS, HYBRID BICYCLES, POWERFUL MOPEDS, AND ALL-TERRAIN VEHICLES"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as S.C.R. No. 76, H.D. 1.

Signed by all members of the Committee except Representative Saiki.

SCRep. 929-10 Judiciary on S.B. No. 2910

The purpose of this bill is to provide additional consumer protections by prohibiting a foreclosing mortgagee or mortgagee who acquires a property from requiring that a buyer purchase title insurance or escrow services from any particular vendor as a condition of sale.

Title Guaranty Escrow Services, Inc., testified in support of this bill. The Hawaii Bankers Association opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the provision applies only to the owner's title insurance policy, and not to the lender's title policy; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2910, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2910, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Morita and B. Oshiro.

SCRep. 930-10 Judiciary on S.B. No. 2772

The purpose of this bill is to explicitly state that the Board of Veterinary Examiners may revoke or suspend the license of or fine a licensee for violation of the recognized principles of medical ethics adopted by the Hawaii Veterinary Medical Association and the American Veterinary Medical Association.

The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Veterinary Examiners, Hawaiian Humane Society, and several concerned individuals testified in support of this bill. Several concerned individuals supported this bill with amendments. Poi Dogs & Popoki provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2772, S.D. 2, and recommends that it pass Third Reading.

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

SCRep. 931-10 Human Services on H.R. No. 148

The purpose of this resolution is to establish a Legislative Task Force to evaluate the proposed reorganization of the Benefits, Employment, Support Services Division (BESSD) and the Med Quest Division.

The State Council on Developmental Disabilities, the Hawaii Government Employment Association (HGEA), the National Association of Social Workers (NASW), and a concerned individual submitted testimony in support of this measure. Another concerned individual submitted comments.

Your Committee recognizes that due to the current economic landscape, more and more Hawaii residents are financially struggling. In turn, they are seeking assistance from their government and looking to social welfare for that help.

However, your Committee is concerned that this reorganization will likely result in fewer people receiving benefits and hurt those greatest in need. Under this proposed plan, eligibility offices and local community units will be replaced by two processing centers in Honolulu and Hilo. This will result in at least 232 DHS employee layoffs and an overworked, understaffed workforce.

Therefore, your Committee has amended this resolution by:

- (1) Inserting language to further document possible difficulties of the proposed reorganization:
 - A. WHEREAS, the eligibility offices and community units will be replaced by two processing centers in Honolulu and Hilo to handle all applications and the work previously done in local offices and units; and
 - B. WHEREAS, it is doubtful that non-profit social service organizations can assist in the event that there are problems with this policy proposal since they are already struggling to serve their existing clients; and
 - C. WHEREAS, the Chief Investigator of the DHS Investigation and Restitution office, as well as a Deputy Prosecutor from the island of Hawaii both testified that the EPOD plan would result in rampant welfare fraud as the “checks and balances” currently in place would be eliminated, primarily due to the fact the front line eligibility workers are required witnesses to prosecute welfare fraud; and
 - D. WHEREAS, due to the increase in welfare fraud, millions of dollars in court ordered restitution that the State of Hawaii receives would be lost; and
 - E. WHEREAS, the DHS Director is rushing to implement the EPOD by July 2010 even though there is strong precedent that similar call center schemes have failed miserably in other states such as Florida, Oregon, Indiana

and Texas, resulting in tremendous suffering by needy clients not being able to access available Federal assistance programs; and

- F. WHEREAS, the Florida model, which the proposed EPOD proposal is modeled after, took over two years to implement; and
 - G. WHEREAS, Florida was the 43rd ranked state for food stamp participation after their system converted to call centers; and
 - H. WHEREAS, testimony was received regarding the Oregon model by a former recipient who stated that the Oregon public assistance program was a terribly inadequate and inefficient system; furthermore, this recipient and their child was denied assistance they were lawfully entitled to; and
 - I. WHEREAS, although eligibility offices remained open in each respective Oregonian county, the program was fraught with worker errors, dropped calls and major delays; and
 - J. WHEREAS, Hawaii has a proven community assistance model that has won Federal cash awards for the State of Hawaii by providing timely and accurate assistance to the needy population for the past 42 years; and
 - K. WHEREAS, Hawaii was recognized for outstanding service and accuracy in SNAP between 2003 through 2008; and
 - L. WHEREAS, to date over 6,300 DHS employees and clients have submitted signed petitions stating that they have “no confidence” in the DHS Director’s ability to properly administer the mission of the department; and
 - M. WHEREAS, the State of Hawaii House of Representatives Finance Committee has reduced the Governor’s DHS budget by 18,521,400 million dollars, and protected DHS positions the Governor wanted to eliminate that provides essential community assistance services to over 300,000 needy Hawaii residents; and
 - N. WHEREAS, the DHS Director, as of the current date, has not provided an operational EPOD implementation plan, as well as a contingency plan in the event EPOD meets with catastrophic failure; and
- (2) Adding PHOCUSED to the task force
 - (3) Adding an appropriate agency, as determined by the Legislature, to staff the task force
 - (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 148, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 148, H.D. 1.

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

SCRep. 932-10 Human Services on H.C.R. No. 219

The purpose of this concurrent resolution is to establish a Legislative Task Force to evaluate the proposed reorganization of the Benefits, Employment, Support Services Division (BESSD) and the Med Quest Division.

The State Council on Developmental Disabilities, the Hawaii Government Employment Association (HGEA), the National Association of Social Workers (NASW), and a concerned individual submitted testimony in support of this measure. Another concerned individual submitted comments.

Your Committee recognizes that due to the current economic landscape, more and more Hawaii residents are financially struggling. In turn, they are seeking assistance from their government and looking to social welfare for that help.

However, your Committee is concerned that this reorganization will likely result in fewer people receiving benefits and hurt those greatest in need. Under this proposed plan, eligibility offices and local community units will be replaced by two processing centers in Honolulu and Hilo. This will result in at least 232 DHS employee layoffs and an overworked, understaffed workforce.

Therefore, your Committee has amended this concurrent resolution by:

- (1) Inserting language to further document possible difficulties of the proposed reorganization:
 - A. WHEREAS, the eligibility offices and community units will be replaced by two processing centers in Honolulu and Hilo to handle all applications and the work previously done in local offices and units; and
 - B. WHEREAS, it is doubtful that non-profit social service organizations can assist in the event that there are problems with this policy proposal since they are already struggling to serve their existing clients; and
 - C. WHEREAS, the Chief Investigator of the DHS Investigation and Restitution office, as well as a Deputy Prosecutor from the island of Hawaii both testified that the EPOD plan would result in rampant welfare fraud as

the “checks and balances” currently in place would be eliminated, primarily due to the fact the front line eligibility workers are required witnesses to prosecute welfare fraud; and

- D. WHEREAS, due to the increase in welfare fraud, millions of dollars in court ordered restitution that the State of Hawaii receives would be lost; and
- E. WHEREAS, the DHS Director is rushing to implement the EPOD by July 2010 even though there is strong precedent that similar call center schemes have failed miserably in other states such as Florida, Oregon, Indiana and Texas, resulting in tremendous suffering by needy clients not being able to access available Federal assistance programs; and
- F. WHEREAS, the Florida model, which the proposed EPOD proposal is modeled after, took over two years to implement; and
- G. WHEREAS, Florida was the 43rd ranked state for food stamp participation after their system converted to call centers; and
- H. WHEREAS, testimony was received regarding the Oregon model by a former recipient who stated that the Oregon public assistance program was a terribly inadequate and inefficient system; furthermore, this recipient and their child was denied assistance they were lawfully entitled to; and
- I. WHEREAS, although eligibility offices remained open in each respective Oregonian county, the program was fraught with worker errors, dropped calls and major delays; and
- J. WHEREAS, Hawaii has a proven community assistance model that has won Federal cash awards for the State of Hawaii by providing timely and accurate assistance to the needy population for the past 42 years; and
- K. WHEREAS, Hawaii was recognized for outstanding service and accuracy in SNAP between 2003 through 2008; and
- L. WHEREAS, to date over 6,300 DHS employees and clients have submitted signed petitions stating that they have “no confidence” in the DHS Director’s ability to properly administer the mission of the department; and
- M. WHEREAS, the State of Hawaii House of Representatives Finance Committee has reduced the Governor’s DHS budget by 18,521,400 million dollars, and protected DHS positions the Governor wanted to eliminate that provides essential community assistance services to over 300,000 needy Hawaii residents; and
- N. WHEREAS, the DHS Director, as of the current date, has not provided an operational EPOD implementation plan, as well as a contingency plan in the event EPOD meets with catastrophic failure; and
- (2) Adding PHOCUSED to the task force
- (3) Adding an appropriate agency, as determined by the Legislature, to staff the task force
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 219, H.D. 1.

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

SCRep. 933-10 Housing on H.R. No. 79

The purpose of this resolution is to help provide economic relief to residents of condominiums and planned communities by urging condominium and planned community associations to minimize expenses to reduce the need to increase maintenance fees or dues.

A concerned individual testified in support of this resolution. The Hawaii Chapter of the Community Associations Institute and a concerned individual opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 934-10 Housing on H.C.R. No. 138

The purpose of this concurrent resolution is to help provide economic relief to residents of condominiums and planned communities by urging condominium and planned community associations to minimize expenses to reduce the need to increase maintenance fees or dues.

A concerned individual testified in support of this concurrent resolution. The Hawaii Chapter of the Community Associations Institute and a concerned individual opposed this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 138 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 935-10 Housing on H.R. No. 62

The purpose of this resolution is to assist homeless persons by urging the Hawaii Public Housing Authority to establish homeless safe zones to provide a reasonably safe area for those without permanent housing to spend the night.

Hawaiian Hope, the Waikiki Neighborhood Board, Waianae Community Outreach, the Representative from the 23rd District, and several concerned individuals testified in support of this resolution.

Your Committee acknowledges that homelessness has been a long-term problem and that State and City efforts to assist those without permanent shelter have not always been successful. Your Committee believes that the designation of homeless safe zones where homeless persons may stay overnight in a reasonably safe environment represents a solution that may be implemented immediately while more sustainable and long-term solutions are devised.

Your Committee has amended this resolution by:

- (1) Requesting the City and County of Honolulu to donate land to be used as homeless safe zones; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 62, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 936-10 Housing on H.C.R. No. 114

The purpose of this concurrent resolution is to assist homeless persons by urging the Hawaii Public Housing Authority to establish homeless safe zones to provide a reasonably safe area for those without permanent housing to spend the night.

Hawaiian Hope, the Waikiki Neighborhood Board, Waianae Community Outreach, and the Representative from the 23rd District testified in support of this concurrent resolution.

Your Committee acknowledges that homelessness has been a long-term problem and that State and City efforts to assist those without permanent shelter have not always been successful. Your Committee believes that the designation of homeless safe zones where homeless persons may stay overnight in a reasonably safe environment represents a solution that may be implemented immediately while more sustainable and long-term solutions are devised.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the City and County of Honolulu to donate land to be used as homeless safe zones; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 114, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 937-10 Housing on H.C.R. No. 262

The purpose of this concurrent resolution is to help provide more effective services to homeless populations on Leeward Oahu by requesting the establishment of the Waianae Coast Homelessness Task Force (Task Force) to develop a comprehensive plan to address the needs of the homeless and those at-risk of becoming homeless.

The Leeward Housing Coalition, Waianae Community Outreach, and several concerned individuals supported this concurrent resolution. The Hawaii Housing Finance and Development Corporation (HHFDC) and University of Hawaii System provided comments.

Your Committee notes that although there are a number of emergency and transitional shelters already in place on the leeward coast, as well as several affordable housing developments being built to assist the homeless population, there is more that may be done to assist those who are at-risk of becoming homeless. Additionally, while many on the coast, including shelter providers, service providers, and community members have come together in two summits to begin discussing available options for assisting this vulnerable population, the formalization and participation of a larger group, including governmental agencies, would strengthen the plan and has the potential to add more buy-in from concerned stakeholders.

Your Committee has amended this concurrent resolution by:

- (1) Removing HHFDC from the Task Force and instead requesting that HHFDC serve as a resource for the Task Force; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 262, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 262, H.D. 1.

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

SCRep. 938-10 Public Safety on H.C.R. No. 139

The purpose of this concurrent resolution is to honor and remember those who have lost their lives in the line of duty by requesting the Department of Accounting and General Services (DAGS) to work with the Hawaii Law Enforcement Memorial Foundation (HLEMF), the County Police Departments, the Department of Public Safety (PSD), the United States Marshal for the District of Hawaii, the State of Hawaii Organization of Police Officers (SHOPO), and the Concerns of Police Survivors Incorporated, to plan and construct a Hawaii state law enforcement memorial.

PSD, the Honolulu Police Department, Concerns of Police Survivors-Hawaii Chapter, HLEMF, SHOPO, and several concerned individuals testified in support of this concurrent resolution. DAGS supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 939-10 Public Safety on H.C.R. No. 173

The purpose of this concurrent resolution is to request the National Disaster Preparedness Training Center at the University of Hawaii at Manoa to prepare a report on the Hawaii Civil Defense Division's preparedness response to the February 2010 tsunami threat.

Several concerned individuals testified in support of this concurrent resolution. The Department of Defense opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 940-10 Public Safety on H.R. No. 100

The purpose of this resolution is urge the Department of Public Safety (PSD) make its existing program for preparing soon-to-be-released parents to deal with life issues mandatory and include information and training about how to:

- (1) Renew contact with children, grandparents, and other family members caring for their children;
- (2) Avoid conflict and prevent disruption of the lives of their children and the family members who have been caring for them; and
- (3) Prepare themselves for resuming full responsibilities as a parent.

Hawaii Youth Services Network testified in support of this resolution. Community Alliance on Prisons and a concerned individual supported the intent of this measure. PSD opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 100 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 941-10 Public Safety on H.C.R. No. 162

The purpose of this concurrent resolution is urge the Department of Public Safety (PSD) make its existing program for preparing soon-to-be-released parents to deal with life issues mandatory and include information and training about how to:

- (1) Renew contact with children, grandparents, and other family members caring for their children;
- (2) Avoid conflict and prevent disruption of the lives of their children and the family members who have been caring for them; and
- (3) Prepare themselves for resuming full responsibilities as a parent.

Hawaii Youth Services Network testified in support of this concurrent resolution. Community Alliance on Prisons and a concerned individual supported the intent of this measure. PSD opposed this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 162 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 942-10 Public Safety on H.R. No. 120

The purpose of this resolution is to reduce recidivism by requesting the Hawaii Paroling Authority (HPA) to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE, to be called the Hope Parole Pilot program.

Community Alliance on Prisons, The Drug Policy Forum of Hawaii, and a concerned individual testified in support of this resolution. HPA opposed this measure. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 120 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 943-10 Public Safety on H.C.R. No. 187

The purpose of this concurrent resolution is to reduce recidivism by requesting the Hawaii Paroling Authority (HPA) to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE, to be called the Hope Parole Pilot program.

Community Alliance on Prisons, The Drug Policy Forum of Hawaii, and a concerned individual testified in support of this concurrent resolution. HPA opposed this measure. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 944-10 Public Safety on H.R. No. 121

The purpose of this resolution is help reduce recidivism by requesting the Department of Public Safety (PSD) to facilitate and support federal grant proposals to fund the Huikahi Restorative Circles program, which allows individuals to make amends for past behavior and plan a transition for life after incarceration in Hawaii correctional facilities.

Community Alliance on Prisons, The Drug Policy Forum of Hawaii, and a concerned individual testified in support of this resolution. PSD supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 121 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 945-10 Public Safety on H.C.R. No. 188

The purpose of this concurrent resolution is help reduce recidivism by requesting the Department of Public Safety (PSD) to facilitate and support federal grant proposals to fund the Huikahi Restorative Circles program, which allows individuals to make amends for past behavior and plan a transition for life after incarceration in Hawaii correctional facilities.

Community Alliance on Prisons, The Drug Policy Forum of Hawaii, and a concerned individual testified in support of this concurrent resolution. PSD supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 946-10 Public Safety on H.R. No. 88

The purpose of this resolution is to request the Judiciary to report to the Legislature on the probable impact of sentencing nonviolent drug offenders to a treatment program instead of imprisonment.

Community Alliance on Prisons, Hawaii Disability Rights Center, The Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this resolution. The Judiciary and Department of the Prosecuting Attorney of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 947-10 Public Safety on H.C.R. No. 149

The purpose of this concurrent resolution is to request the Judiciary to report to the Legislature on the probable impact of sentencing nonviolent drug offenders to a treatment program instead of imprisonment.

Community Alliance on Prisons, Hawaii Disability Rights Center, The Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this concurrent resolution. The Judiciary and Department of the Prosecuting Attorney of the City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 149 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 948-10 Public Safety/Economic Revitalization, Business, & Military Affairs on H.R. No. 123

The purpose of this resolution is to urge the Department of Public Safety and the Department of Defense (DOD) to find alternative locations for the National Guard Hawaii Youth Challenge Program instead of the Kulani Correctional Facility.

United Public Workers, Local 646, and Ohana Hoopakele testified in support of this resolution. DOD opposed this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 123 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Saiki, Takumi, Wooley and Pine.
(Representative Ward voted no.)

SCRep. 949-10 Public Safety/Economic Revitalization, Business, & Military Affairs on H.C.R. No. 190

The purpose of this concurrent resolution is to urge the Department of Public Safety and the Department of Defense (DOD) to find alternative locations for the National Guard Hawaii Youth Challenge Program instead of the Kulani Correctional Facility.

United Public Workers, Local 646, and Ohana Hoopakele testified in support of this concurrent resolution. DOD opposed this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 190 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Saiki, Takumi, Wooley and Pine.
(Representative Ward voted no.)

SCRep. 950-10 Agriculture on H.R. No. 236

The purpose of this resolution is to request state public entities to commit to healthier and more nutritious meals by spending ten percent of their food dollars for locally-produced produce or other Hawaii agricultural products.

Hawaii Farm Bureau Federation, Haleiwa Farmer's Market, and a concerned individual testified in support of this resolution. The Department of Education (DOE) provided comments.

Concerns were raised about DOE's inability to use ten percent of food dollars to purchase locally-produced produce. Your Committee respectfully requests that the Committee on Finance work with the DOE to determine a percentage acceptable to the DOE that will also help promote Hawaii agricultural products.

Your Committee has amended this resolution by blanking out the percentage amount of food dollars spent.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 236, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 236, H.D. 1.

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

SCRep. 951-10 Agriculture on H.C.R. No. 289

The purpose of this concurrent resolution is to request state public entities to commit to healthier and more nutritious meals by spending ten percent of their food dollars for locally-produced produce or other Hawaii agricultural products.

Hawaii Farm Bureau Federation, Haleiwa Farmer's Market, and a concerned individual testified in support of this concurrent resolution. The Department of Education (DOE) provided comments.

Concerns were raised about DOE's inability to use ten percent of food dollars to purchase locally-produced produce. Your Committee respectfully requests that the Committee on Finance work with the DOE to determine a percentage acceptable to the DOE that will also help promote Hawaii agricultural products.

Your Committee has amended this concurrent resolution by blanking out the percentage amount of food dollars spent.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 289, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 289, H.D. 1.

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

SCRep. 952-10 Human Services/Health on H.R. No. 25

The purpose of this resolution is to:

- (1) urge the U.S. Department of the Interior and the U.S. Congress to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association (COFA) Nations; and
- (2) deem migrants eligible to receive federally funded financial and medical assistance; and
- (3) provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association (COFA) Nations.

The Consul General of the Republic of the Marshall Islands, the Hawaii State Rural Health Association, the Hawaii Disability Rights Center, Goodwill Industries, Healthcare Association of Hawaii, the Micronesian Health Advisory Coalition, and several concerned individuals submitted testimony in support of this measure.

Your Committees notes that the costs associated with providing various state services to the Compact of Free Association (COFA) migrants continues to increase each year. It is also noted that although the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 prevents needy persons from the COFA nations from receiving federally funded financial and medical assistance, the State of Hawaii continues to provide equivalent services for the COFA migrants using state funds.

It seems unfair to your Committees that, because of the unique federally created relationship our nation has with the COFA nations, the State of Hawaii continues to provide state services without additional federal support.

Therefore, your Committees firmly believe in seeking federal aid for the provision of various state services to migrants from the Compact of Free Association nations.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 25 and recommend that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 953-10 Human Services/Health on H.C.R. No. 65

The purpose of this concurrent resolution is to:

- (1) urge the U.S. Department of the Interior and the U.S. Congress to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association (COFA) Nations; and
- (2) deem migrants eligible to receive federally funded financial and medical assistance; and
- (3) provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association (COFA) Nations.

The Hawaii Disability Rights Center and the Healthcare Association of Hawaii in support of this measure.

Your Committees notes that the costs associated with providing various state services to the Compact of Free Association (COFA) migrants continues to increase each year. It is also noted that although the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 prevents needy persons from the COFA nations from receiving federally funded financial and medical assistance, the State of Hawaii continues to provide equivalent services for the COFA migrants using state funds.

It seems unfair to your Committees that, because of the unique federally created relationship our nation has with the COFA nations, the State of Hawaii continues to provide state services without additional federal support.

Therefore, your Committees firmly believe in seeking federal aid for the provision of various state services to migrants from the Compact of Free Association nations.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 65 and recommend that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 954-10 Human Services/Health on H.R. No. 15

The purpose of this resolution is to request the Auditor to conduct a sunrise review to determine whether case managers should be certified by the Department of Commerce and Consumer Affairs (DCCA).

The National Association of Social Workers (NASW) submitted testimony in support of this measure. Nightingale Case Management and Universal Case Management both submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs and Catholic Charities submitted comments.

Your Committees notes that case management is a comprehensive and multidisciplinary approach to meeting the needs of the clients and caregivers in achieving their healthcare goals. Due to the nature of their profession and the services they provide to their clients, case managers bear a responsibility to be both professional and ethical. To this end, it is required that case managers be certified in order to practice in the State of Hawaii.

So, your Committees find it reasonable that satisfactory documentation of certification by the Commission for Case Management Certification must be received by an appropriate state agency.

Therefore, your Committees have amended this resolution by:

- (1) removing all references to the Department of Commerce and Consumer Affairs (DCCA)
- (2) inserting language requesting the Auditor to find the most appropriate agency to implement the regulation of case managers
- (3) inserting both the Director of Health and the Director of Human Services to receive copies of this resolution
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 15, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 15, H.D. 1.

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

SCRep. 955-10 Human Services/Health on H.C.R. No. 53

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review to determine whether case managers should be certified by the Department of Commerce and Consumer Affairs (DCCA).

The National Association of Social Workers (NASW) submitted testimony in support of this measure. Nightingale Case Management and Universal Case Management both submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs and Catholic Charities submitted comments.

Your Committees notes that case management is a comprehensive and multidisciplinary approach to meeting the needs of the clients and caregivers in achieving their healthcare goals. Due to the nature of their profession and the services they provide to their clients, case managers bear a responsibility to be both professional and ethical. To this end, it is required that case managers be certified in order to practice in the State of Hawaii.

So, your Committees find it reasonable that satisfactory documentation of certification by the Commission for Case Management Certification must be received by an appropriate state agency.

Therefore, your Committees have amended this concurrent resolution by:

- (1) removing all references to the Department of Commerce and Consumer Affairs (DCCA)
- (2) inserting language requesting the Auditor to find the most appropriate agency to implement the regulation of case managers
- (3) inserting both the Director of Health and the Director of Human Services to receive copies of this concurrent resolution
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 53, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 53, H.D. 1.

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

SCRep. 956-10 Legislative Management on H.C.R. No. 200

The purpose of this concurrent resolution is to consider innovative strategies to strengthen Hawaii's economy. This measure requests the Legislative Reference Bureau (LRB) to study the feasibility of establishing a state-owned bank in Hawaii.

The Department of Commerce and Consumer Affairs, Hawaii Alliance for Community-Based Economic Development, and a concerned individual testified in support of this measure. LRB offered comments.

Your Committee finds that the Bank of North Dakota (Bank) is the only state-owned and operated financial institution in the nation. State funds deposited with the Bank are invested in loan programs to spur economic development in that state. Bank profits are deposited into the state's general fund. Your Committee further finds that the idea of a State-owned bank deserves further investigation, especially to determine whether the concept is compatible with Hawaii's existing financial institution infrastructure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 957-10 Legislative Management on H.R. No. 205

The purpose of this resolution is to ensure consistency, reliability, and responsibility for the programming of the cablecast proceedings of the House of Representatives. This measure establishes policies to govern the activities of the Legislative Broadcast Program relating to project responsibility, distribution, programming content, editing, and ownership and use of programming.

The League of Women Voters of Hawaii supported the intent of this measure. Common Cause Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 205 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 958-10 Housing on H.R. No. 63

The purpose of this resolution is to help address community health and safety concerns by requesting relevant state and county departments to develop a plan to resolve issues related to homeless individuals living in abandoned vehicles.

A concerned individual provided comments.

Your Committee has amended this resolution by:

- (1) Requesting the relevant departments to include a consideration of situations in which a homeless individual has permission to live in an abandoned vehicle that is not parked in areas prohibited by law; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 63, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 959-10 Housing on H.C.R. No. 115

The purpose of this concurrent resolution is to help address community health and safety concerns by requesting relevant state and county departments to develop a plan to resolve issues related to homeless individuals living in abandoned vehicles.

A concerned individual provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the relevant departments to include a consideration of situations in which a homeless individual has permission to live in an abandoned vehicle that is not parked in areas prohibited by law; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 115, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 960-10 Housing on H.R. No. 87

The purpose of this resolution is to urge the United States government to seek reimbursement from the Federated States of Micronesia for homeless services provided to migrants in Hawaii who have entered the state through privileges provided under the Compact of Free Association (COFA).

Several concerned individuals testified in support of this concurrent resolution.

Your Committee has amended this resolution by:

- (1) Deleting language referring to homeless services so that the request applies to all services provided to COFA migrants;
- (2) Changing the title to read: "URGING THE UNITED STATES GOVERNMENT TO SEEK REIMBURSEMENT FROM THE FEDERATED STATES OF MICRONESIA FOR SERVICES PROVIDED IN HAWAII TO MIGRANTS UNDER THE COMPACT OF FREE ASSOCIATION"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 87, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 87, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 961-10 Housing on H.C.R. No. 148

The purpose of this concurrent resolution is to urge the United States government to seek reimbursement from the Federated States of Micronesia for homeless services provided to migrants in Hawaii who have entered the state through privileges provided under the Compact of Free Association (COFA).

Several concerned individuals testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Deleting language referring to homeless services so that the request applies to all services provided to COFA migrants;
- (2) Changing the title to read: "URGING THE UNITED STATES GOVERNMENT TO SEEK REIMBURSEMENT FROM THE FEDERATED STATES OF MICRONESIA FOR SERVICES PROVIDED IN HAWAII TO MIGRANTS UNDER THE COMPACT OF FREE ASSOCIATION"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 148, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 148, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke and Ching.

SCRep. 962-10 Public Safety on H.R. No. 203

The purpose of this resolution is to request the Office of the Auditor to initiate an audit of the Wireless Enhanced 911 Fund to provide the status of and available funding for projects that have been undertaken or planned by public safety answering points.

The Senator representing District 17 testified in support of this resolution. The Department of Accounting and General Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 203 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 963-10 Public Safety on H.C.R. No. 281

The purpose of this concurrent resolution is to request the Office of the Auditor to initiate an audit of the Wireless Enhanced 911 Fund to provide the status of and available funding for projects that have been undertaken or planned by public safety answering points.

The Senator representing District 17 testified in support of this concurrent resolution. The Department of Accounting and General Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 281 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 964-10 Public Safety on H.C.R. No. 223

The purpose of this concurrent resolution is to create an alternate evacuation route for residents of the leeward coast by requesting the Legislative Reference Bureau (LRB) to conduct a study on the feasibility of using Lualualei Navel Road as an evacuation route in the event of an emergency or natural disaster.

Several concerned individuals testified in support of this concurrent resolution. LRB provided comments.

Your Committee notes that the Navy received Lualualei from the Department of Hawaiian Home Lands (DHHL) in the 1980's. In exchange, the Navy was to give land to DHHL. In 1995, with the Navy yet to comply with the exchange, the Hawaiian Home Lands Recovery Act was passed by Congress. To date, only 700 acres have been conveyed. Until the Navy fulfills its obligation to DHHL, the Navy does not have clear title to Lualualei.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Department of Defense, specifically the Civil Defense Division, to provide cooperation, support, and assistance to LRB in preparing the study; and
- (2) Changing the title of the concurrent resolution to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU, WITH ASSISTANCE FROM THE DEPARTMENT OF DEFENSE, TO CONDUCT A STUDY ON THE FEASIBILITY OF USING LUALUALEI NAVAL ROAD AS AN EVACUATION ROUTE IN THE EVENT OF AN EMERGENCY OR NATURAL DISASTER ON THE LEEWARD COAST."

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 223, H.D. 1.

Signed by all members of the Committee.

SCRep. 965-10 Health/Human Services on H.R. No. 7

The purpose of this resolution is to extend the deadline for the Home for Life Task Force to report on its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

The Disability and Communication Access Board, Occupational Therapy Association of Hawaii, Hawaii Chapter-American Physical Therapy Association, AARP, and Kokua Council supported this resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 7 and recommend that it be referred to the Committee on Finance.

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

SCRep. 966-10 Health/Human Services on H.C.R. No. 13

The purpose of this concurrent resolution is to extend the deadline for the Home for Life Task Force to report on its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

The Disability and Communication Access Board, Occupational Therapy Association of Hawaii, Hawaii Chapter-American Physical Therapy Association, AARP, and Kokua Council supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 13 and recommend that it be referred to the Committee on Finance.

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

SCRep. 967-10 Health/Human Services on H.R. No. 93

The purpose of this resolution is to request authorization for the Joint Legislative Committee on Aging in Place to continue to meet and carry out its work.

The National Multiple Sclerosis Society, Occupational Therapy Association of Hawaii, Hawaii Chapter-American Physical Therapy Association, and a concerned individual supported this resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 93 and recommend that it be referred to the Committee on Legislative Management.

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

SCRep. 968-10 Health/Human Services on H.C.R. No. 155

The purpose of this concurrent resolution is to request authorization for the Joint Legislative Committee on Aging in Place to continue to meet and carry out its work.

The National Multiple Sclerosis Society, Occupational Therapy Association of Hawaii, Hawaii Chapter-American Physical Therapy Association, and a concerned individual supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 155 and recommend that it be referred to the Committee on Legislative Management.

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

SCRep. 969-10 Health/Human Services on H.R. No. 34

The purpose of this resolution is to work to enable the betterment of the lives of persons with disabilities by urging the ratification of the United Nations Convention on the Rights of Persons with Disabilities.

A concerned individual supported this resolution. The Disability and Communication Access Board supported the intent of this measure.

Your Committees have amended this resolution by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 34, as amended herein, and recommend that it be referred to the Committee on Tourism, Culture, & International Affairs, in the form attached hereto as H.R. No. 34, H.D. 1.

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

SCRep. 970-10 Health/Human Services on H.C.R. No. 76

The purpose of this concurrent resolution is to work to enable the betterment of the lives of persons with disabilities by urging the ratification of the United Nations Convention on the Rights of Persons with Disabilities.

A concerned individual supported this concurrent resolution. The Disability and Communication Access Board supported the intent of this measure.

Your Committees have amended this concurrent resolution by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 76, as amended herein, and recommend that it be referred to the Committee on Tourism, Culture, & International Affairs, in the form attached hereto as H.C.R. No. 76, H.D. 1.

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

SCRep. 971-10 Health on H.R. No. 27

The purpose of this resolution is to recognize the first day of December of every year as World's AIDS day in the State of Hawaii.

A concerned individual supported this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 27 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 972-10 Health on H.C.R. No. 68

The purpose of this concurrent resolution is to recognize the first day of December of every year as World's AIDS day in the State of Hawaii.

A concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

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

SCRep. 973-10 Health on H.R. No. 165

The purpose of this resolution is to support the phase out of production and importation of decabromodiphenyl ether (decaBDE) and all other polybrominated diphenyl ethers (PBDE) in the United States.

The Department of Health supported this resolution. The Alliance of Automobile Manufacturers and the Citizens for Fire Safety Institute submitted comments.

Your Committee has amended this resolution by:

- (1) Inserting language noting the efforts of producers of fire retardant chemicals to find alternative, safer fire retardants;
- (2) Deleting language describing the negative health effects of PBDEs on animals and efforts to reduce their use throughout the world; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 165, as amended herein, and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs in the form attached hereto as H.R. No. 165, H.D. 1.

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

SCRep. 974-10 Health on H.C.R. No. 235

The purpose of this concurrent resolution is to support the phase out of production and importation of decabromodiphenyl ether (decaBDE) and all other polybrominated diphenyl ethers (PBDE) in the United States.

The Department of Health supported this concurrent resolution. The Alliance of Automobile Manufacturers and the Citizens for Fire Safety Institute submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Inserting language noting the efforts of producers of fire retardant chemicals to find alternative, safer fire retardants;
- (2) Deleting language describing the negative health effects of PBDEs on animals and efforts to reduce their use throughout the world; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 235, as amended herein, and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs in the form attached hereto as H.C.R. No. 235, H.D. 1.

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

SCRep. 975-10 Health on H.R. No. 12

The purpose of this resolution is to establish a Hawaii State Fall Prevention Task Force (Task Force) to develop a statewide approach to reducing falls among older adults.

The City and County of Honolulu's Elderly Affairs Division, Hawaii Chapter-American Physical Therapy Association, Occupational Therapy Association of Hawaii, and several concerned individuals supported this resolution. The Executive Office on Aging and the Legislative Reference Bureau submitted comments.

Your Committee has amended this resolution by:

- (1) Requesting that the University of Hawaii Center on Aging convene the Task Force;
- (2) Changing the title of the resolution to read: "REQUESTING THE UNIVERSITY OF HAWAII CENTER ON AGING TO CONVENE A HAWAII STATE FALL PREVENTION TASK FORCE TO DEVELOP A STATEWIDE APPROACH TO REDUCING FALLS AMONG OLDER ADULTS";
- (3) Designating that the Director of the Executive Office on Aging act as chair of the Task Force;
- (4) Directing the Legislative Reference Bureau to assist in drafting any proposed legislation recommended by the Task Force;
- (5) Directing that a certified copy of this resolution be sent to the Director of the University of Hawaii Center on Aging; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 12, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 12, H.D. 1.

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

SCRep. 976-10 Health on H.C.R. No. 15

The purpose of this concurrent resolution is to establish a Hawaii State Fall Prevention Task Force (Task Force) to develop a statewide approach to reducing falls among older adults.

The City and County of Honolulu's Elderly Affairs Division, Hawaii Chapter-American Physical Therapy Association, Occupational Therapy Association of Hawaii, and several concerned individuals supported this concurrent resolution. The Executive Office on Aging and the Legislative Reference Bureau submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that the University of Hawaii Center on Aging convene the Task Force;
- (2) Changing the title of the concurrent resolution to read: "REQUESTING THE UNIVERSITY OF HAWAII CENTER ON AGING TO CONVENE A HAWAII STATE FALL PREVENTION TASK FORCE TO DEVELOP A STATEWIDE APPROACH TO REDUCING FALLS AMONG OLDER ADULTS";
- (3) Designating that the Director of the Executive Office on Aging act as chair of the Task Force;
- (4) Directing the Legislative Reference Bureau to assist in drafting any proposed legislation recommended by the Task Force;
- (5) Directing that a certified copy of this concurrent resolution be sent to the Director of the University of Hawaii Center on Aging; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 15, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 15, H.D. 1.

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

SCRep. 977-10 Health on H.C.R. No. 110

The purpose of this concurrent resolution is to prevent the burden of medical and social problems people will face as adults and the associated medical costs to the health care system by requesting the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for weight management and obesity treatment for children.

The Department of Health, Kaiser Permanente Hawaii, American Academy of Pediatrics–Hawaii Chapter, Hawaii Chapter-American Physical Therapy Association, and several concerned individuals supported this concurrent resolution. The Hawaii Medical Service Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 110 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 978-10 Water, Land, & Ocean Resources on H.C.R. No. 320

The purpose of this concurrent resolution is to approve the exchange of public land for private land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to convey to the Aloha Council Boy Scouts of America state land identified as TMK No. (1) 5-9-05:77, to correct the inadvertent omission of the parcel from the 2004 recorded conveyance documents, and to do so consistent with section 171-50, Hawaii Revised Statutes, as amended in 2009, which requires a copy of the resolution to be submitted to the Office of Hawaiian Affairs.

DLNR and many concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 320 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Luke and Morita.

SCRep. 979-10 Water, Land, & Ocean Resources on H.C.R. No. 292

The purpose of this concurrent resolution is to more efficiently and effectively maintain state recreation areas by requesting that the Department of Land and Natural Resources (DLNR) and the County of Hawaii to provide a report and supporting documentation for the transfer of the Mauna Kea State Recreation Area and the Hupuna Beach State Recreation Area to the County of Hawaii.

The Hawaii County Office of the Mayor supported this concurrent resolution with amendments. DLNR provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting DLNR and Hawaii County to enter into an agreement to transfer title and responsibility for Mauna Kea State Recreation Area and Hapuna Beach State Recreation area, rather than providing a report and supporting documentation;
- (2) Requesting Hawaii County to provide a report to the Legislature including the progress of the transfer, a resource management plan, and the financial and administrative resources Hawaii County will provide for the operation and management of the recreational areas;
- (3) Changing the title to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ENTER INTO AN AGREEMENT TO TRANSFER THE MAUNA KEA STATE RECREATION AREA AND THE HAPUNA BEACH STATE RECREATION AREA TO THE COUNTY OF HAWAII"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 292, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 292, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Luke and Morita.

SCRep. 980-10 Energy & Environmental Protection on H.R. No. 159

The purpose of this resolution is to protect Hawaii's environment through increased energy-efficiency by urging the Hawaii Clean Energy Initiative End-Use Efficiency Working Group to bring together development and building industry stakeholders, the State Building Code Council, and applicable state and county agencies to reach a consensus on promoting the design and construction of net zero energy buildings.

The Department of Business, Economic Development and Tourism offered comments on this resolution.

The ultimate goal of a net zero energy building is to reduce the net-energy consumption of a building to zero and to generate zero carbon emissions. Since buildings are responsible for at least 40 percent of the energy used in a country, encouraging and promoting net zero energy buildings is a highly cost-effective way to move the State of Hawaii toward a clean energy future.

Your Committee finds that development and building industry stakeholders have not yet realized the benefits of net zero energy buildings. Even the most progressive builders have not agreed to a standard for net zero energy building codes. Furthermore, your Committee believes the reason for the lack of understanding and involvement is due to insufficient outreach.

This measure serves to encourage a consensus on building standards in an effort to move forward with the adoption of net zero energy buildings.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 159 and recommends its adoption.

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

SCRep. 981-10 Energy & Environmental Protection on H.C.R. No. 230

The purpose of this concurrent resolution is to protect Hawaii's environment through increased energy-efficiency by urging the Hawaii Clean Energy Initiative End-Use Efficiency Working Group to bring together development and building industry stakeholders, the State Building Code Council, and applicable state and county agencies to reach a consensus on promoting the design and construction of net zero energy buildings.

The Department of Business, Economic Development and Tourism offered comments on this concurrent resolution.

The ultimate goal of a net zero energy building is to reduce the net-energy consumption of a building to zero and to generate zero carbon emissions. Since buildings are responsible for at least 40 percent of the energy used in a country, encouraging and promoting net zero energy buildings is a highly cost-effective way to move the State of Hawaii toward a clean energy future.

Your Committee finds that development and building industry stakeholders have not yet realized the benefits of net zero energy buildings. Even the most progressive builders have not agreed to a standard for net zero energy building codes. Furthermore, your Committee believes the reason for the lack of understanding and involvement is due to insufficient outreach.

This measure serves to encourage a consensus on building standards in an effort to move forward with the adoption of net zero energy buildings.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230 and recommends its adoption.

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

SCRep. 982-10 Human Services/Health on H.R. No. 13

The purpose of this resolution is to declare the second week in October as Case Management Week.

Universal Case Management and a concerned individual submitted testimony in support of this measure.

Your Committees acknowledges that case management is a collaborative process that provides critical services on a daily basis. Their assistance helps patients and their caregivers in achieving their healthcare goals. It is also widely known that case managers advocate for patient needs and help them achieve wellness and autonomy. They do this by ensuring that available resources are being used in an optimum way.

Now, because of the growing need of their services, there are over 40,000 practitioners holding a Certified Case Manager credential. And, since the spectrum of patients is increasingly varied, case managers can now also be found in multiple settings such as government agencies, health insurance companies, hospitals, and private managed care companies. So, it has become clearly evident to your Committees of the positive impact the case management profession has had on the state of healthcare in Hawaii.

Therefore, your Committees would like to recognize their efforts as a unique and effective way of mobilizing resources to promote cost-effective, quality outcomes for a wide range of populations with varied healthcare needs.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 13 and recommend its adoption.

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

SCRep. 983-10 Human Services/Health on H.C.R. No. 51

The purpose of this concurrent resolution is to declare the second week in October as Case Management Week.

Universal Case Management and a concerned individual submitted testimony in support of this measure.

Your Committees acknowledges that case management is a collaborative process that provides critical services on a daily basis. Their assistance helps patients and their caregivers in achieving their healthcare goals. It is also widely known that case managers advocate for patient needs and help them achieve wellness and autonomy. They do this by ensuring that available resources are being used in an optimum way.

Now, because of the growing need of their services, there are over 40,000 practitioners holding a Certified Case Manager credential. And, since the spectrum of patients is increasingly varied, case managers can now also be found in multiple settings such as government agencies, health insurance companies, hospitals, and private managed care companies. So, it has become clearly evident to your Committees of the positive impact the case management profession has had on the state of healthcare in Hawaii.

Therefore, your Committees would like to recognize their efforts as a unique and effective way of mobilizing resources to promote cost-effective, quality outcomes for a wide range of populations with varied healthcare needs.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 51 and recommend its adoption.

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

SCRep. 984-10 Legislative Management on H.C.R. No. 265

The purpose of this concurrent resolution is to ensure the reliability of the Hawaii Air National Guard's (HIANG) senior officer and command selection process by requesting the Auditor to conduct a financial audit of HIANG, including an overall analysis of HIANG's promotional procedures.

Numerous concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 265 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong and Pine.

SCRep. 985-10 Agriculture on H.C.R. No. 203

The purpose of this concurrent resolution is to recognize the efforts of the Kauai Beekeeper's Association (KBA) for their efforts to assist the Department of Agriculture (DOA) with education and prevention of the varroa mite and other invasive species.

DOA, County of Kauai's Office of Economic Development, KBA, and several concerned individuals testified in support of this concurrent resolution.

The Chair of the Committee commented on the impact the varroa mite has played in the queen rearing industry on the West Side of the island of Hawaii, and also noted that the only islands that are not affected by the varroa mite are Maui and Kauai.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 203 and recommends its adoption.

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

SCRep. 986-10 Health/Higher Education on H.R. No. 191

The purpose of this resolution is to address the shortage of long-term care alternatives by strongly urging the University of Hawaii and Leahi Hospital to reach a joint agreement on a coordinated master plan to provide innovative long-term care services.

Leahi Hospital and a concerned individual supported this measure.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 191 and recommend its adoption.

Signed by all members of the Committee except Representatives Berg, Brower, Chang, Hanohano, Manahan, Shimabukuro, Finnegan and Pine.

SCRep. 987-10 Health/Higher Education on H.C.R. No. 266

The purpose of this concurrent resolution is to address the shortage of long-term care alternatives by strongly urging the University of Hawaii and Leahi Hospital to reach a joint agreement on a coordinated master plan to provide innovative long-term care services.

Leahi Hospital and a concerned individual supported this measure.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 266 and recommend its adoption.

Signed by all members of the Committee except Representatives Berg, Brower, Chang, Hanohano, Manahan, Shimabukuro, Finnegan and Pine.

SCRep. 988-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2697

The purpose of this bill is to modernize the Insurance Code to make its provisions uniform with the best practices in insurance regulation.

The Department of Commerce and Consumer Affairs and Hawaii Insurers Council testified in support of this bill with amendments. The Hawaii Association of Health Plans, USAA, Property Casualty Insurers Association of America, Hawaii Medical Service Association, and American Council of Life Insurers provided comments.

Your Committees find that this bill promotes efforts to achieve national uniformity of insurance laws, streamline operations, improve administrative efficiency, and reduce the cost of insurance regulation.

Your Committees have amended this bill by:

- (1) Including sales or marketing practices among the subjects of written inquiries made by the Insurance Commissioner for which an insurer or insurance licensee must issue a written response within 15 working days;
- (2) Eliminating the following provisions that are contained in other bills that have been enacted into law this session:

- (A) Allowing crop insurance adjusters to fulfill their licensing examination requirement by passing an examination approved by the Risk Management Agency of the United States Department of Agriculture. This provision is included in S.B. No. 2017, enacted as Act 6, Session Laws of Hawaii (SLH) 2010; and
 - (B) Eliminating reference to a repealed provision on minimum surplus requirements for captive insurance companies. This amendment is included in S.B. No. 2812, S.D. 1, enacted as Act 7, SLH 2010;
- and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2697, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Karamatsu, Luke, Mizuno and Morita.

SCRep. 989-10 Water, Land, & Ocean Resources on S.B. No. 2340

The purpose of this bill is to continue to protect the natural resources and environment of Kaneohe Bay while maintaining fiscal prudence by:

- (1) Repealing requirements that the Department of Land and Natural Resources (DLNR) use state funds and resources to provide meeting places and staffing for Kaneohe Bay Regional Council (Council) meetings;
- (2) Requiring the Council to meet annually instead of quarterly and to report on its activities annually instead of semi-annually; and
- (3) Repealing the sunset of the Council scheduled for July 1, 2010.

Several concerned individuals testified in support of this bill. DLNR opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date from June 30, 2050, to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2340, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2340, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Morita.

SCRep. 990-10 Housing/Water, Land, & Ocean Resources on S.B. No. 2111

The purpose of this bill is to facilitate the expeditious development of affordable housing by requiring that infrastructure for affordable housing be deemed dedicated to the county if the county does not accept or reject the request for dedication of infrastructure within 60 days of the receipt by the appropriate county council of a completed application for dedication request.

The Hawaii Housing Finance and Development Corporation, The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Building and Construction Trades Council–AFL-CIO supported this bill. The Governor supported this measure with amendments. The Department of Planning and Permitting of the City and County of Honolulu submitted comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2111, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2111, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 991-10 Public Safety/Hawaiian Affairs on H.R. No. 104

The purpose of this resolution is to allow Native Hawaiians to continue to practice their religion as well as one other faith if they choose while incarcerated by requesting the Department of Public Safety (PSD) to require it in its new contracts.

Community Alliance on Prisons, Native Hawaiian Legal Corporation, The Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this resolution. The American Civil Liberties Union supported the intent of this measure. PSD opposed this resolution.

Your Committees have amended this resolution by:

- (1) Making it inclusive of all men and women who are incarcerated instead of just those of Native Hawaiian descent; and
- (2) Changing the title of this resolution to read: "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO REQUIRE IN ITS CONTRACTS THAT INCARCERATED MEN AND WOMEN BE FREE TO PRACTICE MORE THAN ONE RELIGION."

As affirmed by the records of votes of the members of your Committees on Public Safety and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 104, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Saiki and Pine.

SCRep. 992-10 Public Safety/Hawaiian Affairs on H.C.R. No. 168

The purpose of this concurrent resolution is to allow Native Hawaiians to continue to practice their religion as well as one other faith if they choose while incarcerated by requesting the Department of Public Safety (PSD) to require it in its new contracts.

Community Alliance on Prisons, Native Hawaiian Legal Corporation, The Drug Policy Forum of Hawaii, and several concerned individuals testified in support of this concurrent resolution. The American Civil Liberties Union supported the intent of this measure. PSD opposed this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Making it inclusive of all men and women who are incarcerated instead of just those of Native Hawaiian descent; and
- (2) Changing the title of this concurrent resolution to read: "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO REQUIRE IN ITS CONTRACTS THAT INCARCERATED MEN AND WOMEN BE FREE TO PRACTICE MORE THAN ONE RELIGION."

As affirmed by the records of votes of the members of your Committees on Public Safety and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 168, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 168, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Saiki and Pine.

SCRep. 993-10 Hawaiian Affairs on H.R. No. 67

The purpose of this resolution is to urge the United States Congress and Commander of Hickam Air Force Base to rename the Fort Kamehameha Wastewater Treatment Plant.

Several concerned individuals testified in support of this resolution.

A concern was raised that the wording used in the resolution, specifically, the use of the phrase "fulfilling his divine right" to describe King Kamehameha I's uniting of all the inhabited islands of Hawaii in the early 1800's, may not be entirely appropriate, given that "divine right" is a western concept. Therefore, your Committee respectfully requests the introducer of this resolution to clarify this reference in the subsequent committee, if necessary.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 67 and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

SCRep. 994-10 Hawaiian Affairs on H.R. No. 55

The purpose of this resolution is to improve the evaluation of healthcare needs of native Hawaiians and other Pacific Islanders by expressing the Legislature's support for the passage in Congress of H.R. 3680 and S. 1732, amending the federal Public Health Service Act to provide for health data regarding native Hawaiians and other Pacific Islanders.

The Association of Hawaiian Civic Clubs and Hawaii Youth Services Network testified in support of this resolution.

Your Committee has amended this resolution by capitalizing the word "native" in all references to "native Hawaiian", as suggested by a testifier, with the intent that the data obtained will assist all Native Hawaiians, regardless of blood quantum.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 55, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.R. No. 55, H.D. 1.

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

SCRep. 995-10 Hawaiian Affairs on H.C.R. No. 104

The purpose of this concurrent resolution is to improve the evaluation of healthcare needs of native Hawaiians and other Pacific Islanders by expressing the Legislature's support for the passage in Congress of H.R. 3680 and S. 1732, amending the federal Public Health Service Act to provide for health data regarding native Hawaiians and other Pacific Islanders.

The Association of Hawaiian Civic Clubs and Hawaii Youth Services Network testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by capitalizing the word "native" in all references to "native Hawaiian", as suggested by a testifier, with the intent that the data obtained will assist all Native Hawaiians, regardless of blood quantum.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.C.R. No. 104, H.D. 1.

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

SCRep. 996-10 Higher Education/Health on H.R. No. 98

The purpose of this resolution is to request the Center for Nursing to study the need and resources necessary for the establishment of a continuing education program for nurses and to report its findings to the Legislature.

Testimony in support of this measure was received from the American Organization of Nurse Executives, Hawaii Chapter, the Healthcare Association of Hawaii, the Hawaii Long Term Care Association, and two concerned individuals. Testimony in support of the intent of this measure was received from The University of Hawaii at Manoa, the Board of Nursing, and the Hawaii State Center for Nursing.

Your Committee has amended this measure by:

- (1) Deleting requests that the Center for Nursing:
 - (A) Perform a comprehensive examination of the characteristics of post-entry nursing practice and how the characteristics change over time;
 - (B) Identify the chronologic evolution of nursing practice;
 - (C) Evaluate how factors specific to the individual nurse influence the evolution of practice; and
 - (D) Identify the determinants of safe post-entry practice;
- (2) Including a request that the Center for Nursing review the studies done by the National Council of State Board of Nursing;
- (3) Changing the membership of the joint advisory committee as follows:
 - (A) Removing the representative from the National Council of State Boards of Nursing; and
 - (B) Adding a representative from the Board of Nursing;
- (4) Requesting that the Center for Nursing submit an interim progress report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012, and a final report no later than 20 days prior to the convening of the Regular Session of 2013;
- (5) Requesting the joint advisory committee to dissolve on June 30, 2013, rather than on June 30, 2012; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 98, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 98, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Brower, Chang, Hanohano, Manahan, Shimabukuro, Finnegan and Pine.

SCRep. 997-10 Higher Education/Health on H.C.R. No. 160

The purpose of this concurrent resolution is to request the Center for Nursing to study the need and resources necessary for the establishment of a continuing education program for nurses and to report its findings to the Legislature.

Testimony in support of this measure was received from the American Organization of Nurse Executives, Hawaii Chapter, the Healthcare Association of Hawaii, the Hawaii Long Term Care Association, and two concerned individuals. Testimony in support of the intent of this measure was received from The University of Hawaii at Manoa, the Board of Nursing, and the Hawaii State Center for Nursing.

Your Committee has amended this measure by:

- (1) Deleting requests that the Center for Nursing:
 - (A) Perform a comprehensive examination of the characteristics of post-entry nursing practice and how the characteristics change over time;
 - (B) Identify the chronologic evolution of nursing practice;
 - (C) Evaluate how factors specific to the individual nurse influence the evolution of practice; and
 - (D) Identify the determinants of safe post-entry practice;
- (2) Including a request that the Center for Nursing review the studies done by the National Council of State Board of Nursing;
- (3) Changing the membership of the joint advisory committee as follows:
 - (A) Removing the representative from the National Council of State Boards of Nursing; and
 - (B) Adding a representative from the Board of Nursing;
- (4) Requesting that the Center for Nursing submit an interim progress report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012, and a final report no later than 20 days prior to the convening of the Regular Session of 2013;
- (5) Requesting the joint advisory committee to dissolve on June 30, 2013, rather than on June 30, 2012; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 160, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 160, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Brower, Chang, Hanohano, Manahan, Shimabukuro, Finnegan and Pine.

SCRep. 998-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 214

The purpose of this resolution is to offer Hawaii as the perfect laboratory for Google to demonstrate the revolutionary ability of high speed Internet by urging Google Inc. to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative.

The Department of Commerce and Consumer Affairs and High Technology Development Corporation supported this resolution.

Your Committee finds that Google plans to test ultra-high speed broadband networks in one or more trial locations across the country that will deliver one gigabit per second Internet speeds -- more than 100 times faster than most Internet speeds in the United States.

Google will be offering the fiber-to-the-home connections at a competitive price to communities of at least 50,000 and potentially up to 500,000 people, and until March 26th, is asking interested municipalities to provide Google with information about their communities through a request for information, which will be used to determine where to build the network.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214 and recommends that it be referred to the Committee on Finance.

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

SCRep. 999-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 297

The purpose of this concurrent resolution is to offer Hawaii as the perfect laboratory for Google to demonstrate the revolutionary ability of high speed Internet by urging Google Inc. to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative.

The Department of Commerce and Consumer Affairs and High Technology Development Corporation supported this concurrent resolution.

Your Committee finds that Google plans to test ultra-high speed broadband networks in one or more trial locations across the country that will deliver one gigabit per second Internet speeds -- more than 100 times faster than most Internet speeds in the United States.

Google will be offering the fiber-to-the-home connections at a competitive price to communities of at least 50,000 and potentially up to 500,000 people, and until March 26th, is asking interested municipalities to provide Google with information about their communities through a request for information, which will be used to determine where to build the network.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 297 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1000-10 Consumer Protection & Commerce on H.C.R. No. 124

The purpose of this resolution is to request the Department of Health to investigate teeth whitening vendors and their impact on public health.

The Department of Health testified in oppose of this resolution. A representative from the Hawaii Dental Association supported the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1001-10 Human Services on H.C.R. No. 165

The purpose of this concurrent resolution is to request an audit of the Child Welfare Services program in their processing and investigation of complaints of child abuse and neglect and the misuse of child support.

Parents for Righteousness and a concerned individual testified in support of this measure.

The Department of Human Services submitted testimony in opposition to this measure.

Your Committee acknowledges the fact that the Child Welfare Services program of the Department of Human Services (DHS) ensures the safety and permanence of children in their own homes, as well as out-of-home placements. It is also the responsibility of the Child Welfare Services program to investigate reports of abuse and neglect in Hawaii. It has been alleged, however, that claims of child abuse and neglect and misuse of child support have been ignored by the Child Welfare Services program in the past.

To support this allegation and provide an impetus for the request of an audit, your Committee would like to take note of some testimonies. Hopefully, this will give more reason for supporting this audit request.

According to one testimony, a minor had called the Child Welfare Services program to report abuse and neglect and the misuse of child support monies. In response, the Child Welfare Services program only referred the minor to the Child Support Enforcement Agency. The Child Support Enforcement Agency, unfortunately, was unable to help her. It left the minor feeling helpless, while the abuse intensified more.

Another testimony states that "the current Child Welfare Services system is grossly flawed and its workers are overstepping their authority and breaking the law." It also stated that "as a parent if you assert your rights under the law to the Social Worker or anyone else in CWS, your case is treated with profound adversity." Lastly, the testimony noted "a direct conflict of interest in which, from experience, the family courts will allow only CWS social workers to testify and will not allow outside qualified experts to testify."

Therefore, based on compelling testimonies, your Committee feels it justifiable to request a program audit of the efficiency and effectiveness of Child Welfare Services in processing and investigating of child abuse and neglect and the misuse of monetary support for the child.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1002-10 Human Services on H.R. No. 184

The purpose of this resolution is to request the Department of Human Services (DHS) to examine and evaluate allegations of shortcomings of programs for adults with special needs.

Your Committee recognizes that adults with special needs comprise a vulnerable population and require diligent care. It is also noted that DHS contracts with various agencies to provide services to this population. However, allegations of inadequacies and weaknesses in programs for adults with special needs have surfaced over the years.

Your Committee would like to stress that it is critical to thoroughly examine these allegations. It is vital that this group of individuals is properly cared for in a safe and reasonable manner.

Therefore, your Committee requests that DHS investigate these allegations and submit a report of the findings and recommendations, including any necessary proposed legislation, to this body no later than twenty days prior to the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1003-10 Human Services on H.C.R. No. 256

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to examine and evaluate allegations of shortcomings of programs for adults with special needs.

Your Committee recognizes that adults with special needs comprise a vulnerable population and require diligent care. It is also noted that DHS contracts with various agencies to provide services to this population. However, allegations of inadequacies and weaknesses in programs for adults with special needs have surfaced over the years.

Your Committee would like to stress that it is critical to thoroughly examine these allegations. It is vital that this group of individuals is properly cared for in a safe and reasonable manner.

Therefore, your Committee requests that DHS investigate these allegations and submit a report of the findings and recommendations, including any necessary proposed legislation, to this body no later than twenty days prior to the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 256 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1004-10 Human Services on H.R. No. 233

The purpose of this resolution is to urge the Department of Human Services (DHS) and all agencies with DHS contracts to uphold their nondiscriminatory policy for gay, lesbian, bisexual, and transgendered persons.

A concerned individual submitted testimony in support of this measure.

Your Committee has learned that the number of hate crimes against gay, lesbian, bisexual, and transgendered individuals have risen in recent years. According to the Federal Bureau of Investigation (FBI), hate crimes against this group constitute the third-highest category of hate crimes in the nation and represent almost fourteen percent of all hate crimes.

Because the numbers of hate crimes against this population are staggering, your Committee considers it important for the Department of Human Services (DHS) and the service providers with DHS contracts to uphold its policy of nondiscrimination for gay, lesbian, bisexual, and transgendered people. The Department of Human Services (DHS) should urge its workers and recipients that it is not acceptable to discriminate against a person for any sexually-related or gender-related reason, as well as race, color, religion, or national origin.

Your Committee has amended this resolution by:

- (1) adding the following to receive certified copies of this resolution:
 - (a) the President of Pride at Work Hawaii; and
 - (b) the Executive Director of Life Foundation; and
 - (c) the Executive Director of National Association of Workers (NASW); and
 - (d) the Chairman of Family Equality Coalition; and
 - (e) the President of Gregory House Programs; and
 - (f) the Coordinator of the Lesbian, Gay, Bisexual, and Transgender (LGBT) Student Services Office at UH Manoa; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 233, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 233, H.D. 1.

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

SCRep. 1005-10 Human Services on H.C.R. No. 318

The purpose of this concurrent resolution is to urge the Department of Human Services (DHS) and all agencies with DHS contracts to uphold their nondiscriminatory policy for gay, lesbian, bisexual, and transgendered persons.

A concerned individual submitted testimony in support of this measure.

Your Committee has learned that the number of hate crimes against gay, lesbian, bisexual, and transgendered individuals have risen in recent years. According to the Federal Bureau of Investigation (FBI), hate crimes against this group constitute the third-highest category of hate crimes in the nation and represent almost fourteen percent of all hate crimes.

Because the numbers of hate crimes against this population are staggering, your Committee considers it important for the Department of Human Services (DHS) and the service providers with DHS contracts to uphold its policy of nondiscrimination for gay, lesbian, bisexual, and transgendered people. The Department of Human Services (DHS) should urge its workers and recipients that it is not acceptable to discriminate against a person for any sexually-related or gender-related reason, as well as race, color, religion, or national origin.

Your Committee has amended this concurrent resolution by:

- (1) adding the following to receive certified copies of this concurrent resolution:
 - (a) the President of Pride at Work Hawaii; and
 - (b) the Executive Director of LifeFoundation; and
 - (c) the Executive Director of National Association of Workers (NASW); and
 - (d) the Chairman of Family Equality Coalition; and
 - (e) the President of Gregory House Programs; and
 - (f) the Coordinator of the Lesbian, Gay, Bisexual, and Transgender (LGBT) Student Services Office at UH Manoa; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 318, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 318, H.D. 1.

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

SCRep. 1006-10 Human Services/Health on H.R. No. 96

The purpose of this resolution is to urge the Department of Human Services (DHS), in consultation with the Department of Health (DOH), to develop a program to encourage breastfeeding among Medicaid recipients.

The American Congress of Obstetricians and Gynecologists (ACOG), Hawaii Section and Healthy Mothers Healthy Babies Coalition of Hawaii submitted testimony in support of this measure.

Your Committees acknowledge that breastfeeding has well-established health benefits. But, it is not considered as a cost-savings strategy. The U.S. Department of Agriculture's Economic Research Service estimates a minimum savings of \$3,600,000,000 in medical expenses each year if the number of children breastfed for at least six months increased from 43% to 50%.

And, for every one thousand babies who are not breastfed, there are 2,033 more medical office visits, 212 extra days of hospitalization, and 609 excess prescriptions. By simply breastfeeding, these numbers would be reduced and the expenses associated with them would lower, as well.

Also, your Committees note that a staggering 41% of births in the country are covered by Medicaid. Encouraging breastfeeding among these infants may lead to a possible increase in state budget savings.

Therefore, your Committees urge the Department of Human Services (DHS), in collaboration with the Department of Health (DOH), to develop a breastfeeding encouragement program among mothers receiving Medicaid.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 96 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1007-10 Human Services/Health on H.C.R. No. 158

The purpose of this concurrent resolution is to urge the Department of Human Services (DHS), in consultation with the Department of Health (DOH), to develop a program to encourage breastfeeding among Medicaid recipients.

The American Congress of Obstetricians and Gynecologists (ACOG) Hawaii Section, Healthy Mothers Healthy Babies Coalition of Hawaii, and the Hawaii Breastfeeding Coalition submitted testimony in support of this measure.

Your Committees acknowledge that breastfeeding has well-established health benefits. But, it is not considered as a cost-savings strategy. The U.S. Department of Agriculture's Economic Research Service estimates a minimum savings of \$3,600,000,000 in medical expenses each year if the number of children breastfed for at least six months increased from 43% to 50%.

And, for every one thousand babies who are not breastfed, there are 2,033 more medical office visits, 212 extra days of hospitalization, and 609 excess prescriptions. By simply breastfeeding, these numbers would be reduced and the expenses associated with them would lower, as well.

Also, your Committees note that a staggering 41% of births in the country are covered by Medicaid. Encouraging breastfeeding among these infants may lead to a possible increase in state budget savings.

Therefore, your Committees urge the Department of Human Services (DHS), in collaboration with the Department of Health (DOH), to develop a breastfeeding encouragement program among mothers receiving Medicaid.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 158 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1008-10 Human Services/Health on H.R. No. 234

The purpose of this resolution is to request a management and financial audit of all community-based programs and services receiving Medicaid funding or subsidizing individuals eligible for Medicaid.

Universal Case Management and Nightingale Case Management submitted testimony in opposition to this measure.

Your Committees realize that the current fiscal crisis has necessitated a re-evaluation of government-provided programs and services. We also believe that preserving the existing social safety net programs and services is paramount for Hawaii's vulnerable populations.

One of the largest means of funding these programs and services is the federal Medicaid program. Ensuring the proper use and maximization of the federal and state Medicaid funds will preserve the social safety net programs and services. It will also allow the State to remain fiscally responsible.

Therefore, your Committee feels it is important to request a management and financial audit of all community-based programs and services receiving Medicaid funding or subsidizing individuals eligible for Medicaid.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 234 and recommend that it be referred to the Committee on Legislative Management.

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

SCRep. 1009-10 Human Services/Health on H.C.R. No. 319

The purpose of this concurrent resolution is to request a management and financial audit of all community-based programs and services receiving Medicaid funding or subsidizing individuals eligible for Medicaid.

Universal Case Management and Nightingale Case Management submitted testimony in opposition to this measure.

Your Committees realize that the current fiscal crisis has necessitated a re-evaluation of government-provided programs and services. We also believe that preserving the existing social safety net programs and services is paramount for Hawaii's vulnerable populations.

One of the largest means of funding these programs and services is the federal Medicaid program. Ensuring the proper use and maximization of the federal and state Medicaid funds will preserve the social safety net programs and services. It will also allow the State to remain fiscally responsible.

Therefore, your Committee feels it is important to request a management and financial audit of all community-based programs and services receiving Medicaid funding or subsidizing individuals eligible for Medicaid.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 319 and recommend that it be referred to the Committee on Legislative Management.

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

SCRep. 1010-10 Hawaiian Affairs on H.R. No. 173

The purpose of this resolution is to request the Office of Hawaiian Affairs (OHA), with the assistance of the Bernice Pauahi Bishop Museum, to develop a plan to implement replicas of Hawaiian hale surrounded by tropical foliage for rest areas on the state capitol lawn.

A concerned individual testified in support of this resolution. OHA provided comments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 173 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Yamane.

SCRep. 1011-10 Hawaiian Affairs on H.C.R. No. 245

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs (OHA), with the assistance of the Bernice Pauahi Bishop Museum, to develop a plan to implement replicas of Hawaiian hale surrounded by tropical foliage for rest areas on the state capitol lawn.

A concerned individual testified in support of this concurrent resolution. OHA provided comments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Yamane.

SCRep. 1012-10 Higher Education/Water, Land, & Ocean Resources on H.R. No. 226

The purpose of this resolution is to improve accountability for use of the lands on Mauna Kea. Specifically, this measure requests that the University of Hawaii (UH) Institute for Astronomy (IFA) submit a written accounting and report to the Auditor and the Legislature, to be reviewed by the Auditor, regarding the total viewing time provided to UH and IFA since 1968, including the financial value of the viewing time, a list of other benefits received for each facility on Mauna Kea, and copies of contracts entered into for use of Mauna Kea.

Life of the Land, KAHEA, and several concerned individuals testified in support of this resolution. The Hawaii Island Economic Development Board and Hewahewanui Ohana Council opposed this measure. UH, Sierra Club-Hawaii Chapter, and a concerned individual offered comments.

Your Committees have amended this resolution by:

- (1) Deleting the clause relating to the requirement of the Board of Land and Natural Resources (BLNR) and IFA that entities sub-leasing Mauna Kea lands pay \$1 each year in exchange for observation viewing time on the telescopes;
- (2) Deleting language relating to extraordinary amounts of payment for each observation viewing night using Mauna Kea telescope facilities, such as the payment by Yale University to the William M. Keck Foundation;
- (3) Inserting a clause stating that Act 132, Session Laws of Hawaii 2009, authorized the UH Board of Regents (BOR) to charge fees and enter into lease agreements for the Mauna Kea lands, and established the Mauna Kea Lands Management Special Fund for UH to carry out its duty to manage the Mauna Kea lands;
- (4) Inserting a clause relating to UH's request of \$2,180,000 in general funds to operate the Office of Mauna Kea Management;
- (5) Deleting language relating to IFA's patents on various technologies;
- (6) Deleting the clause that states there has been no public accounting of the patent or lease contracts held by foreign and out-of-state entities;
- (7) Clarifying that the purpose of reviewing contracts and use agreements held by foreign and out-of-state entities is to ensure they contribute a fair and equitable share in ensuring the continued protection and maintenance of the Mauna Kea lands;
- (8) Requesting BOR, rather than IFA, to submit to the Legislature, no later than 20 days prior to the convening of the 2011 regular session, a report of observation viewing time on the telescopes on Mauna Kea;
- (9) In regards to the report:
 - (A) Limiting the list of total viewing time to that provided during the 2009-2010 fiscal year, rather than since 1968;
 - (B) Changing the determination of the financial value of the viewing time for each facility since 1968, to a determination of the net financial gain from astronomy-related activity on Mauna Kea received by UH during the 2009-2010 fiscal year;
 - (C) Limiting the list of all value received to those received during the 2009-2010 fiscal year, rather than since 1968;
 - (D) Changing the requirement to provide a copy of every contract, working or use agreement, and any other written understanding since 1968, to a summary of those currently in effect; and
 - (E) Including a plan of action that will ensure UH will develop a self-sustaining model to meet its obligation to the community while working to preserve and protect the Mauna Kea lands;
- (10) Deleting the request that the Auditor conduct a review of the report and submit any findings and recommendations to the Legislature;
- (11) Requiring certified copies of the resolution to also be transmitted to the Chairperson of BOR and Executive Director of IFA, but not to the State Auditor and Chairperson of BLNR; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the title to read, "REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO SUBMIT TO THE LEGISLATURE A REPORT OF OBSERVATION VIEWING TIME ON THE TELESCOPES ON MAUNA KEA."

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 226, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 226, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chong, Luke, Manahan, Morita, Shimabukuro and Yamane.

SCRep. 1013-10 Higher Education/Water, Land, & Ocean Resources on H.C.R. No. 311

The purpose of this concurrent resolution is to improve accountability for use of the lands on Mauna Kea. Specifically, this measure requests that the University of Hawaii (UH) Institute for Astronomy (IFA) submit a written accounting and report to the Auditor and the Legislature, to be reviewed by the Auditor, regarding the total viewing time provided to UH and IFA since 1968, including the financial value of the viewing time, a list of other benefits received for each facility on Mauna Kea, and copies of contracts entered into for use of Mauna Kea.

Life of the Land, KAHEA, and several concerned individuals testified in support of this concurrent resolution. The Hawaii Island Economic Development Board and Hewahewanui Ohana Council opposed this measure. UH, Sierra Club-Hawaii Chapter, and a concerned individual offered comments.

Your Committees have amended this concurrent resolution by:

- (1) Deleting the clause relating to the requirement of the Board of Land and Natural Resources (BLNR) and IFA that entities sub-leasing Mauna Kea lands pay \$1 each year in exchange for observation viewing time on the telescopes;
- (2) Deleting language relating to extraordinary amounts of payment for each observation viewing night using Mauna Kea telescope facilities, such as the payment by Yale University to the William M. Keck Foundation;
- (3) Inserting a clause stating that Act 132, Session Laws of Hawaii 2009, authorized the UH Board of Regents (BOR) to charge fees and enter into lease agreements for the Mauna Kea lands, and established the Mauna Kea Lands Management Special Fund for UH to carry out its duty to manage the Mauna Kea lands;
- (4) Inserting a clause relating to UH's request of \$2,180,000 in general funds to operate the Office of Mauna Kea Management;
- (5) Deleting language relating to IFA's patents on various technologies;
- (6) Deleting the clause that states there has been no public accounting of the patent or lease contracts held by foreign and out-of-state entities;
- (7) Clarifying that the purpose of reviewing contracts and use agreements held by foreign and out-of-state entities is to ensure they contribute a fair and equitable share in ensuring the continued protection and maintenance of the Mauna Kea lands;
- (8) Requesting BOR, rather than IFA, to submit to the Legislature, no later than 20 days prior to the convening of the 2011 regular session, a report of observation viewing time on the telescopes on Mauna Kea;
- (9) In regards to the report:
 - (A) Limiting the list of total viewing time to that provided during the 2009-2010 fiscal year, rather than since 1968;
 - (B) Changing the determination of the financial value of the viewing time for each facility since 1968, to a determination of the net financial gain from astronomy-related activity on Mauna Kea received by UH during the 2009-2010 fiscal year;
 - (C) Limiting the list of all value received to those received during the 2009-2010 fiscal year, rather than since 1968;
 - (D) Changing the requirement to provide a copy of every contract, working or use agreement, and any other written understanding since 1968, to a summary of those currently in effect; and
 - (E) Including a plan of action that will ensure UH will develop a self-sustaining model to meet its obligation to the community while working to preserve and protect the Mauna Kea lands;
- (10) Deleting the request that the Auditor conduct a review of the report and submit any findings and recommendations to the Legislature;
- (11) Requiring certified copies of the concurrent resolution to also be transmitted to the Chairperson of BOR and Executive Director of IFA, but not to the State Auditor and Chairperson of BLNR; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the title to read, "REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO SUBMIT TO THE LEGISLATURE A REPORT OF OBSERVATION VIEWING TIME ON THE TELESCOPES ON MAUNA KEA."

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 311, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 311, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chong, Luke, Manahan, Morita, Shimabukuro and Yamane.

SCRep. 1014-10 Education on H.R. No. 97

The purpose of this resolution is to request the Department of Education (DOE) to assist schools to establish Walk + Bike School Bus programs statewide.

Two concerned individuals testified in support of this measure. DOE offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 97 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Manahan, Yamane and Ching.

SCRep. 1015-10 Education on H.C.R. No. 159

The purpose of this resolution is to request the Department of Education (DOE) to assist schools to establish Walk + Bike School Bus programs statewide.

Two concerned individuals testified in support of this measure. DOE offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Manahan, Yamane and Ching.

SCRep. 1016-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 296

The purpose of this concurrent resolution is to support Hawaii's small businesses by urging the Governor to adequately fund the Small Business Regulatory Review Board (SBRRB).

SBRRB, the Hawaii Business League, The Chamber of Commerce of Hawaii, the National Federation of Independent Business Hawaii, and a concerned individual supported this concurrent resolution.

Hawaii's SBRRB gives small business a significant voice in the rulemaking process and supports our economy by helping small business avoid unnecessary, institutionalized costs imposed by government regulations. At the same time, the cost of maintaining the functions of SBRRB is relatively small. Volunteer small business owners staff SBRRB, review state administrative rules and county ordinances, and recommend modifications.

The elimination of the Small Business Advocate position and reductions in staffing and resources now threaten the ability of the SBRRB to perform its functions. Your Committee finds that if Hawaii is to maintain the health of the small businesses that form our economic base, an adequate level of funding and staffing must be restored to SBRRB.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 296 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1017-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 125

The purpose of this resolution is to allow the Department of Business, Economic Development, and Tourism (DBEDT), to more efficiently and effectively develop Hawaii's economy by establishing a task force to determine how to restructure DBEDT so that it offers strategic direction for business development and facilitates and serves as a clearinghouse for private economic development agencies.

DBEDT commented on this resolution.

Your Committee finds that, especially during these difficult economic times, efforts must be made to streamline and focus the efforts of the State's economic development agencies.

Your Committee has amended this resolution to replace the reference to the Center of Excellence for Research in Ocean Sciences with a reference to the Natural Energy Laboratory of Hawaii Authority.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 125, H.D. 1.

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

SCRep. 1018-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 192

The purpose of this concurrent resolution is to allow the Department of Business, Economic Development, and Tourism (DBEDT), to more efficiently and effectively develop Hawaii's economy by establishing a task force to determine how to restructure DBEDT so that it offers strategic direction for business development and facilitates and serves as a clearinghouse for private economic development agencies.

DBEDT commented on this concurrent resolution.

Your Committee finds that, especially during these difficult economic times, efforts must be made to streamline and focus the efforts of the State's economic development agencies.

Your Committee has amended this concurrent resolution to replace the reference to the Center of Excellence for Research in Ocean Sciences with a reference to the Natural Energy Laboratory of Hawaii Authority.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 192, H.D. 1.

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

SCRep. 1019-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 154

The purpose of this resolution is to recognize the active duty service of National Guard members by requesting the Assistant Secretary of Defense for Health Affairs of the United States Department of Defense to revise the priorities for access to health care at military health facilities to give members of the National Guard who are injured in the line of duty while in any duty status the same priority as active duty military members.

Oahu Veterans Council supported this resolution.

Your Committee finds that the members of our National Guard play an important role in the protection of our country, and many have paid a price for their service, some with their lives, and others with wounds and injuries. As they are injured in the line of duty, it is only fair that they receive the same treatment as active duty members at military health facilities.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 154 and recommends that it be referred to the Committee on Health.

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

SCRep. 1020-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 225

The purpose of this concurrent resolution is to recognize the active duty service of National Guard members by requesting the Assistant Secretary of Defense for Health Affairs of the United States Department of Defense to revise the priorities for access to health care at military health facilities to give members of the National Guard who are injured in the line of duty while in any duty status the same priority as active duty military members.

Oahu Veterans Council supported this concurrent resolution.

Your Committee finds that the members of our National Guard play an important role in the protection of our country, and many have paid a price for their service, some with their lives, and others with wounds and injuries. As they are injured in the line of duty, it is only fair that they receive the same treatment as active duty members at military health facilities.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225 and recommends that it be referred to the Committee on Health.

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

SCRep. 1021-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 200

The purpose of this resolution is to provide needed services to veterans who return from war with combat-related mental- and emotional-health conditions, and then commit crimes and enter the justice system, by requesting the Chief Justice of the Hawaii Supreme Court to convene a committee to determine how best to address these veterans' needs, including the development of a veterans court.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Association for Marriage and Family Therapy, the Strategist, Chamber of Commerce of Hawaii, Mental Health America of Hawaii, Oahu Veterans Council, and several concerned individuals supported this resolution. The Military Officers Association of America, Hawaii Chapter, supported this measure with amendments. The Judiciary supported the intent of this measure.

Your Committee finds that veterans who have suffered mental and emotional injuries while serving our country should not be abandoned to our streets and prisons. A veterans court would help to pair these veterans with available, needed services. Further, in helping these veterans, a veterans court would also benefit the community by reducing the costs of imprisonment, and of the social services needed by the homeless.

Your Committee finds that the term "veterans" in this resolution is intended to include not only individuals discharged from military service, but also individuals who are on active duty status. Individuals in both categories may return from war with a combat-related mental- or emotional-health condition that results in their entry into the justice system.

Your Committee notes that including active duty military personnel may also open the door for federal funds to assist these veterans.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 200 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1022-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 278

The purpose of this concurrent resolution is to provide needed services to veterans who return from war with combat-related mental- and emotional-health conditions, and then commit crimes and enter the justice system, by requesting the Chief Justice of the Hawaii Supreme Court to convene a committee to determine how best to address these veterans' needs, including the development of a veterans court.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Association for Marriage and Family Therapy, the Strategist, Chamber of Commerce of Hawaii, Mental Health America of Hawaii, Oahu Veterans Council, and several concerned individuals supported this concurrent resolution. The Military Officers Association of America, Hawaii Chapter, supported this measure with amendments. The Judiciary supported the intent of this measure.

Your Committee finds that veterans who have suffered mental and emotional injuries while serving our country should not be abandoned to our streets and prisons. A veterans court would help to pair these veterans with available, needed services. Further, in helping these veterans, a veterans court would also benefit the community by reducing the costs of imprisonment, and of the social services needed by the homeless.

Your Committee finds that the term "veterans" in this concurrent resolution is intended to include not only individuals discharged from military service, but also individuals who are on active duty status. Individuals in both categories may return from war with a combat-related mental- or emotional-health condition that results in their entry into the justice system.

Your Committee notes that including active duty military personnel may also open the door for federal funds to assist these veterans.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1023-10 Education/Higher Education on H.C.R. No. 129

The purpose of this concurrent resolution is to request the Department of Education (DOE) and the University of Hawaii (UH) to establish a working group to develop a comprehensive plan to improve awareness of and strengthen support for persons with dyslexia and make training available to educators in the State by the 2011-2012 school year.

Assets School, Hawaii Association of Independent Schools, Hawaii Disability Rights Center, International Dyslexia Association-Hawaii Branch (HIDA), Learning Disabilities Association of Hawaii, Special Education and Advisory Council, and several concerned individuals testified in support of this measure.

Your Committees have amended this concurrent resolution by:

- 1) Specifying that the representative from DOE be the Superintendent or designee;
- 2) Adding the President of UH, or the President's designee, to the list of individuals requested to join the working group;
- 3) Replacing DOE with HIDA as the entity that will provide administrative support for the working group;
- 4) Requesting that DOE and UH provide an interim report of the working group's findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011;
- 5) Changing the due date of the final report of the working group's findings and recommendations to the Legislature from twenty days prior to the Regular Session of 2011 to twenty days prior to the convening of the Regular Session of 2012; and
- 6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 129, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 129, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Shimabukuro, Yamane, Ching and Pine.

SCRep. 1024-10 Tourism, Culture, & International Affairs on H.R. No. 109

The purpose of this resolution is to help provide access by the people of Hawaii to documents, records, and artifacts of the first United States President from Hawaii by urging President Barack Obama to select a location in Hawaii as the site for his presidential library.

The Hawaii Tourism Authority, University of Hawaii System, and several concerned individuals testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 109 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

SCRep. 1025-10 Tourism, Culture, & International Affairs on H.C.R. No. 174

The purpose of this concurrent resolution is to help provide access by the people of Hawaii to documents, records, and artifacts of the first United States President from Hawaii by urging President Barack Obama to select a location in Hawaii as the site for his presidential library.

The Hawaii Tourism Authority, University of Hawaii System, and several concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

SCRep. 1026-10 Tourism, Culture, & International Affairs on H.R. No. 102

The purpose of this resolution is to request the Hawaii Tourism Authority (HTA), in collaboration with the Hawaii Boxing Commission, to conduct a study to determine the feasibility of bringing world-class boxing events to Hawaii.

The Hawaii State Boxing Commission and a concerned individual supported this resolution. HTA provided comments.

Your Committee has amended this resolution by:

- (1) Amending its title to read: "REQUESTING THE HAWAII TOURISM AUTHORITY, IN COLLABORATION WITH THE HAWAII BOXING COMMISSION AND OTHER RELATED PARTIES, TO CONTINUE TO PURSUE BRINGING WORLD-CLASS BOXING EVENTS TO HAWAII";
- (2) Requesting HTA to continue to pursue bringing world-class boxing events to Hawaii, instead of conducting a study;
- (3) Adding the Chief Executive Officer of Top Rank and President of Golden Boy Promotions to the list of recipients of certified copies of the concurrent resolution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 102, H.D. 1.

Signed by all members of the Committee except Representative Wakai.

SCRep. 1027-10 Tourism, Culture, & International Affairs on H.C.R. No. 166

The purpose of this concurrent resolution is to request the Hawaii Tourism Authority (HTA), in collaboration with the Hawaii Boxing Commission, to conduct a study to determine the feasibility of bringing world-class boxing events to Hawaii.

The Hawaii State Boxing Commission and a concerned individual supported this concurrent resolution. HTA provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to read: "REQUESTING THE HAWAII TOURISM AUTHORITY, IN COLLABORATION WITH THE HAWAII BOXING COMMISSION AND OTHER RELATED PARTIES, TO CONTINUE TO PURSUE BRINGING WORLD-CLASS BOXING EVENTS TO HAWAII";
- (2) Requesting HTA to continue to pursue bringing world-class boxing events to Hawaii, instead of conducting a study;
- (3) Adding the Chief Executive Officer of Top Rank and President of Golden Boy Promotions to the list of recipients of certified copies of the concurrent resolution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 166, H.D. 1.

Signed by all members of the Committee except Representative Wakai.

SCRep. 1028-10 Energy & Environmental Protection on H.R. No. 113

The purpose of this resolution is to recognize October as Energy Awareness Month. Such designation will serve to encourage and recognize the contributions of individuals, organizations and companies that are committed to advancing energy innovation and efficiency. For Hawaii to advance energy and climate security, we must focus on energy efficiency, promote sustainable industries, accelerate job training and job creation in these areas, and set effective and achievable standards for the generation and use of clean energy. The recognition of October as Energy Awareness Month will serve to promote the importance of a clean energy economy in our State.

The Education and Consumer Affairs Department of the Hawaiian Electric Company and one individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 113 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Ito.

SCRep. 1029-10 Energy & Environmental Protection on H.C.R. No. 178

The purpose of this concurrent resolution is to encourage and recognize the contributions of individuals, organizations and companies that are committed to advancing energy innovation and efficiency. For Hawaii to advance energy and climate security, we must focus on energy efficiency, promote sustainable industries, accelerate job training and job creation in these areas, and set effective and achievable standards for the generation and use of clean energy. The recognition of October as Energy Awareness Month will serve to promote the importance of a clean energy economy in our State.

The Education and Consumer Affairs Department of the Hawaiian Electric Company and one individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Ito.

SCRep. 1030-10 Higher Education on H.R. No. 80

The purpose of this resolution is to declare 2010 as the Year of Ethnic Studies in Hawaii.

Testimony in support of this measure was received from the University of Hawaii at Manoa and the Ethnic Studies Student Association.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 80 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Chang, Hanohano, Manahan, Shimabukuro and Pine.

SCRep. 1031-10 Higher Education on H.C.R. No. 140

The purpose of this concurrent resolution is to declare 2010 as the Year of Ethnic Studies in Hawaii.

Testimony in support of this measure was received from the University of Hawaii at Manoa and the Ethnic Studies Student Association.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 140 and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Chang, Hanohano, Manahan, Shimabukuro and Pine.

SCRep. 1032-10 Human Services/Health on H.R. No. 22

The purpose of this resolution is to continue to support caregivers and to advance caregivers' initiatives, as well as to recognize their role in maintaining the health and well-being of Hawaii's frail and vulnerable population.

The Disability and Communication Access Board, the Hawaii State Rural Health Association, and Universal Case Management submitted testimony in support of this measure.

Your Committees note that the age group of eighty-five years of age or older are the fastest growing age group among Hawaii's elderly. They are also at the greatest risk of physical and financial troubles. But, community-based caregivers, such as adult residential care homes and adult foster homes, deliver acute and long-term care to Hawaii's Medicaid program and to families throughout the State.

However, due to an acute shortage of nursing home beds, placement of nursing home level residents in extended case adult residential care homes and adult foster homes has increased substantially.

Therefore, your Committees recognize that the care given by these non-institutional and less costly alternatives is becoming evidently more important. And, in so recognizing their importance, wishes to also show their continued support for those that administer these services.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 22 and recommend its adoption.

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

SCRep. 1033-10 Human Services/Health on H.C.R. No. 62

The purpose of this concurrent resolution is to continue to support caregivers and to advance caregivers' initiatives, as well as to recognize their role in maintaining the health and well-being of Hawaii's frail and vulnerable population.

The Disability and Communication Access Board, Universal Case Management, and a concerned individual submitted testimony in support of this measure.

Your Committees note that the age group of eighty-five years of age or older are the fastest growing age group among Hawaii's elderly. They are also at the greatest risk of physical and financial troubles. But, community-based caregivers, such as adult residential care homes and adult foster homes, deliver acute and long-term care to Hawaii's Medicaid program and to families throughout the State.

However, due to an acute shortage of nursing home beds, placement of nursing home level residents in extended case adult residential care homes and adult foster homes has increased substantially.

Therefore, your Committees recognize that the care given by these non-institutional and less costly alternatives is becoming evidently more important. And, in so recognizing their importance, wishes to also show their continued support for those that administer these services.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 62 and recommend its adoption.

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

SCRep. 1034-10 Human Services/Health on H.R. No. 24

The purpose for this resolution is to recognize March as "Adult Residential Care Home and Adult Foster Home operators Month."

Universal Case Management and a concerned individual submitted testimony in support of this measure.

Your Committees note that Adult Residential Care Homes (ARCH) and Adult Foster Homes (AFH) provide an invaluable service caring for elderly and disabled individuals. They also save taxpayers substantial sums of money that would otherwise be spent to care for the vulnerable if they were to become wards of the State. In addition, ARCH and AFH operators provide for all aspects of a person's needs, showcasing their comprehensive approach to healthcare.

Your Committees also note that it is estimated that by the year 2020, one in four persons in Hawaii will be over the age of 60. This statistic gives a somber reason of the increasing need for ARCH and AFH operators.

Therefore, it is with great admiration that your Committees support the efforts of care home operators and recognizes them during the entire month of March.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 24 and recommend its adoption.

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

SCRep. 1035-10 Human Services/Health on H.C.R. No. 64

The purpose for this concurrent resolution is to recognize March as "Adult Residential Care Home and Adult Foster Home operators Month."

Universal Case Management and a concerned individual submitted testimony in support of this measure.

Your Committees note that Adult Residential Care Homes (ARCH) and Adult Foster Homes (AFH) provide an invaluable service caring for elderly and disabled individuals. They also save taxpayers substantial sums of money that would otherwise be spent to care for the vulnerable if they were to become wards of the State. In addition, ARCH and AFH operators provide for all aspects of a person's needs, showcasing their comprehensive approach to healthcare.

Your Committees also note that it is estimated that by the year 2020, one in four persons in Hawaii will be over the age of 60. This statistic gives a somber reason of the increasing need for ARCH and AFH operators.

Therefore, it is with great admiration that your Committees support the efforts of care home operators and recognizes them during the entire month of March.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 64 and recommend its adoption.

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

SCRep. 1036-10 Tourism, Culture, & International Affairs on H.R. No. 85

The purpose of this resolution is to urge the city and county of Honolulu to lease the Ewa Villages Manager's Mansion and Ewa Cemetery to the Ewa Historical Society (EHS) to protect, preserve, and restore these sites.

EHS and a concerned individual testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 85 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1037-10 Tourism, Culture, & International Affairs on H.C.R. No. 146

The purpose of this concurrent resolution is to urge the city and county of Honolulu to lease the Ewa Villages Manager's Mansion and Ewa Cemetery to the Ewa Historical Society (EHS) to protect, preserve, and restore these sites.

EHS and a concerned individual testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1038-10 Tourism, Culture, & International Affairs on H.R. No. 170

The purpose of this resolution is to urge the United Nations to grant Taiwan meaningful participation in the International Civil Aviation Organization, so Taiwan can bring its civil aviation practices in line with world standards.

Several concerned individuals testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 170 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1039-10 Tourism, Culture, & International Affairs on H.C.R. No. 242

The purpose of this concurrent resolution is to urge the United Nations to grant Taiwan meaningful participation in the International Civil Aviation Organization, so Taiwan can bring its civil aviation practices in line with world standards.

Several concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 242 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1040-10 Judiciary on S.B. No. 2045

The purpose of the bill is to establish offenses of sexual human trafficking.

The Downtown Neighborhood Board No. 13, Hawaii Kai Neighborhood Board No. 1, GiRL FeST, Planned Parenthood of Hawaii, Hawaii Women's Coalition, Polaris Project, and numerous concerned individuals supported this bill. The Hawaii Family Forum, Hawaii Catholic Conference, and a concerned individual supported the intent of this measure. The Department of the Attorney General, Crime Victim Compensation Commission, Maui Police Department, Honolulu Police Department, The Libertarian Party of Honolulu, and APLE (Arresting Prostitutes is Legal Exploitation) opposed this bill. The Office of the Public Defender and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2045, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2045, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1041-10 Judiciary on S.B. No. 2441

The purpose of this bill is to protect the Hawaiian monk seal from harassment and death by establishing the crime of intentionally or knowingly taking a Hawaiian monk seal as a class C felony.

The Office of Hawaiian Affairs, Conservation Council for Hawaii, The Humane Society of the United States, Hawaiian Monk Seal Response Team of Oahu, Save Our Seal, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources also supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Placing the substantive provisions of this bill into a new section of chapter 195D, Hawaii Revised Statutes (HRS), rather than in section 195D-9, HRS;
- (2) Inserting the scientific name of the Hawaiian monk seal;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2441, S.D. 2, H.D. 2.

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

SCRep. 1042-10 Judiciary on S.B. No. 2449

The purpose of this bill is to make permanent the statutory requirements for provisional driver's licenses for persons who are at least 16 and under 18 years of age, including, among other things, conditions under which:

- (1) A provisional licensee may transport passengers under the age of 18;
- (2) The provisional licensee must be accompanied in the vehicle by a parent or guardian who is a licensed driver; and
- (3) The provisional licensee may drive to and from a place of employment or school-authorized activity without being accompanied by a parent or guardian who is a licensed driver.

The Department of Transportation, Department of Health, City and County of Honolulu, State Farm Mutual Automobile Insurance Company, and Mothers Against Drunk Driving HAWAII testified in support of this bill. Several concerned individuals supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Adding a provision that allows a provisional licensee to be issued a driver's license upon turning 18 years of age, regardless of whether the provisional licensee has held the provisional driver's license for six months; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Morita and B. Oshiro.

SCRep. 1043-10 Education/Labor & Public Employment on H.R. No. 192

The purpose of this resolution is to strongly urge the Governor, the Board of Education (BOE), and the Hawaii State Teachers Association to return to the bargaining table to reopen negotiations with the intent to reduce furloughs and increase instructional days.

BOE, the state representative from the 19th Representative District, and several concerned individuals testified in support of this measure.

Your Committees suggest that rather than accept the current furlough schedule as the only viable option, the department consider alternative schedules including school breaks.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 192 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang, Keith-Agaran, M. Lee, Manahan, Yamane and Yamashita.

SCRep. 1044-10 Education/Labor & Public Employment on H.C.R. No. 267

The purpose of this concurrent resolution is to strongly urge the Governor, the Board of Education (BOE), and the Hawaii State Teachers Association to return to the bargaining table to reopen negotiations with the intent to reduce furloughs and increase instructional days.

BOE, the state representative from the 19th Representative District, and several concerned individuals testified in support of this measure.

Your Committees suggest that rather than accept the current furlough schedule as the only viable option, the department consider alternative schedules including school breaks.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 267 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Chang, Keith-Agaran, M. Lee, Manahan, Yamane and Yamashita.

SCRep. 1045-10 Education on H.R. No. 167

The purpose of this resolution is to request the Department of Education (DOE) to establish a Task Force to create a mandatory educational program for the education and training of high school coaches, assistant coaches, trainers, and members of the high school athletic departments in the prevention, avoidance, and minimization of injuries to high school athletes.

DOE and the Hawaii Chapter American Physical Therapy Association (HAPTA) testified in support of this measure.

Your Committee has amended this resolution by:

- (1) Including a designated representative of HAPTA to serve on the Task Force;
- (2) Removing the designations "advanced professional" and "nonprofessional" for physical therapists; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 167, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chang, Manahan and Yamane.

SCRep. 1046-10 Education on H.C.R. No. 238

The purpose of this concurrent resolution is to request the Department of Education (DOE) to establish a Task Force to create a mandatory educational program for the education and training of high school coaches, assistant coaches, trainers, and members of the high school athletic departments in the prevention, avoidance, and minimization of injuries to high school athletes.

DOE and the Hawaii Chapter American Physical Therapy Association (HAPTA) testified in support of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Including a designated representative of HAPTA to serve on the Task Force;
- (2) Removing the designations "advanced professional" and "nonprofessional" for physical therapists; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 238, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 238, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chang, Manahan and Yamane.

SCRep. 1047-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 73

The purpose of this resolution is to continue to provide support to the automobile industry while promoting automobile fuel efficiency by urging Congress to pass "Cash for Clunkers" legislation in the second session of the 111th Congress.

The Alliance of Automobile Manufacturers and a concerned individual supported this resolution.

Your Committee finds that renewal of the very successful "Cash for Clunkers" program would provide our automobile dealers with much-needed assistance, help move our national and local economy toward recovery, and increase the fuel efficiency of the vehicles on our roadways.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 73 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1048-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 132

The purpose of this concurrent resolution is to continue to provide support to the automobile industry while promoting automobile fuel efficiency by urging Congress to pass "Cash for Clunkers" legislation in the second session of the 111th Congress.

The Alliance of Automobile Manufacturers and a concerned individual supported this concurrent resolution.

Your Committee finds that renewal of the very successful "Cash for Clunkers" program would provide our automobile dealers with much-needed assistance, help move our national and local economy toward recovery, and increase the fuel efficiency of the vehicles on our roadways.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1049-10 Economic Revitalization, Business, & Military Affairs/Energy & Environmental Protection on H.R. No. 153

The purpose of this resolution is to reaffirm the support of the Legislature for the activities of the Natural Energy Laboratory of Hawaii Authority (NELHA) as an incubator for research, and the commercialization of clean and renewable energy, high technology, and economic development in the State.

Several concerned individuals supported this resolution.

Nowhere in Hawaii, other than at NELHA, is there such a unique combination of companies focused on reducing Hawaii's energy dependency and developing technologies related to the State's abundant ocean resources. Your Committees note that individuals representing more than 325 families are employed at NELHA, and annual revenue is estimated at \$70,000,000.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 153 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chong, Ito, C. Lee, Luke, Manahan, Tokioka, Wakai, Ching and Ward.

SCRep. 1050-10 Economic Revitalization, Business, & Military Affairs/Energy & Environmental Protection on H.C.R. No. 224

The purpose of this concurrent resolution is to reaffirm the support of the Legislature for the activities of the Natural Energy Laboratory of Hawaii Authority (NELHA) as an incubator for research, and the commercialization of clean and renewable energy, high technology, and economic development in the State.

Several concerned individuals supported this concurrent resolution.

Nowhere in Hawaii, other than at NELHA, is there such a unique combination of companies focused on reducing Hawaii's energy dependency and developing technologies related to the State's abundant ocean resources. Your Committees note that individuals representing more than 325 families are employed at NELHA, and annual revenue is estimated at \$70,000,000.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 224 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chong, Ito, C. Lee, Luke, Manahan, Tokioka, Wakai, Ching and Ward.

SCRep. 1051-10 Economic Revitalization, Business, & Military Affairs/Energy & Environmental Protection on H.R. No. 215

The purpose of this resolution is to encourage innovative projects and designs for energy efficiency and sustainability by requesting the High Technology Innovation Corporation (HTIC) to establish an energy innovation award for patentable technologies that create significant energy savings for Hawaii.

The High Technology Development Corporation (HTDC) and HTIC commented on this measure.

HTDC testified that many means of recognizing and assisting energy innovation already exist, and another award would compete with existing awards for limited resources. HTDC also testified that references to HTIC should be replaced with HTDC because HTIC was formed to perform HTDC tasks needing HTIC's 501(c)(3) status, which is not the case in this measure.

Your Committees agree that HTDC would best assist in recognizing the innovation of local companies by coordinating and collaborating events and initiatives encouraging energy innovation. Accordingly, your Committees have amended this resolution by:

- (1) Replacing references to HTIC with references to HTDC;
- (2) Adding a provision recognizing that many means of honoring and assisting innovation already exist in the Hawaii community;
- (3) Replacing references to the creation of an energy innovation award with language requesting HTDC to coordinate initiatives within the community, which address energy innovation with the organizers of energy awards and programs and assist in their outreach to the Hawaii community; and
- (4) Amending the title to reflect these amendments to read: "REQUESTING THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION TO COORDINATE INITIATIVES WITHIN THE COMMUNITY WHICH ADDRESS ENERGY INNOVATION WITH THE ORGANIZERS OF ENERGY AWARDS AND PROGRAMS, AND ASSIST IN THEIR OUTREACH TO THE HAWAII COMMUNITY."

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 215, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 215, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Ito, Manahan, Ching and Ward.

SCRep. 1052-10 Economic Revitalization, Business, & Military Affairs/Energy & Environmental Protection on H.C.R. No. 298

The purpose of this concurrent resolution is to encourage innovative projects and designs for energy efficiency and sustainability by requesting the High Technology Innovation Corporation (HTIC) to establish an energy innovation award for patentable technologies that create significant energy savings for Hawaii.

The High Technology Development Corporation (HTDC) and HTIC commented on this measure.

HTDC testified that many means of recognizing and assisting energy innovation already exist, and another award would compete with existing awards for limited resources. HTDC also testified that references to HTIC should be replaced with HTDC because HTIC was formed to perform HTDC tasks needing HTIC's 501(c)(3) status, which is not the case in this measure.

Your Committees agree that HTDC would best assist in recognizing the innovation of local companies by coordinating and collaborating events and initiatives encouraging energy innovation. Accordingly, your Committees have amended this concurrent resolution by:

- (1) Replacing references to HTIC with references to HTDC;
- (2) Adding a provision recognizing that many means of honoring and assisting innovation already exist in the Hawaii community;
- (3) Replacing references to the creation of an energy innovation award with language requesting HTDC to coordinate initiatives within the community, which address energy innovation with the organizers of energy awards and programs and assist in their outreach to the Hawaii community; and
- (4) Amending the title to reflect these amendments to read: "REQUESTING THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION TO COORDINATE INITIATIVES WITHIN THE COMMUNITY WHICH ADDRESS ENERGY INNOVATION WITH THE ORGANIZERS OF ENERGY AWARDS AND PROGRAMS, AND ASSIST IN THEIR OUTREACH TO THE HAWAII COMMUNITY."

As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 298, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 298, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Ito, Manahan, Ching and Ward.

SCRep. 1053-10 Education on H.R. No. 103

The purpose of this resolution is to request the Board of Education (BOE) to:

- (1) Adopt a policy for the integration of a pedagogy of aloha in public schools for improved learning in the 21st century; and
- (2) Observe the "Decade of Aloha" by implementing appropriate programs and activities that promote the awareness of native Hawaiian culture and encourage and practice of a pedagogy of aloha in public schools statewide.

Kamehameha Schools, Halau Lokahi Public Charter School, Kanu o ka Aina New Century Public Charter School, Association of Hawaiian Civic Clubs, Kai Makana Foundation, Na Lei Naauao Native Hawaiian Charter School Alliance, and several concerned individuals testified in support of this measure. BOE offered comments.

Your Committee has amended this resolution by:

- (1) Deleting the clause that requests BOE to observe the "Decade of Aloha;"
- (2) Including the following individuals among those to receive a certified copy of this concurrent resolution:
 - (A) President of Hawaii Pacific University;
 - (B) President of Chaminade University;
 - (C) Dean of the University of Hawaii at Manoa (UH-Manoa) College of Education;
 - (D) Dean of the University of Hawaii at Hilo (UH-Hilo) College of Education;
 - (E) Director of the UH-Manoa Hawaiian Studies Program;
 - (F) Director of the UH-Hilo Hawaiian Studies Program; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 103, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 103, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Yamane and Ching.

SCRep. 1054-10 Education on H.C.R. No. 167

The purpose of this concurrent resolution is to request the Board of Education (BOE) to:

- (1) Adopt a policy for the integration of a pedagogy of aloha in public schools for improved learning in the 21st century; and
- (2) Observe the "Decade of Aloha" by implementing appropriate programs and activities that promote the awareness of native Hawaiian culture and encourage and practice of a pedagogy of aloha in public schools statewide.

Kamehameha Schools, Halau Lokahi Public Charter School, Kanu o ka Aina New Century Public Charter School, Association of Hawaiian Civic Clubs, Kai Makana Foundation, Na Lei Naauao Native Hawaiian Charter School Alliance, and several concerned individuals testified in support of this measure. BOE offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the clause that requests BOE to observe the "Decade of Aloha;"
- (2) Including the following individuals among those to receive a certified copy of this concurrent resolution:
 - (A) President of Hawaii Pacific University;
 - (B) President of Chaminade University;
 - (C) Dean of the University of Hawaii at Manoa (UH-Manoa) College of Education;
 - (D) Dean of the University of Hawaii at Hilo (UH-Hilo) College of Education;
 - (E) Director of the UH-Manoa Hawaiian Studies Program;
 - (F) Director of the UH-Hilo Hawaiian Studies Program; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Yamane and Ching.

SCRep. 1055-10 Education on H.C.R. No. 38

The purpose of this concurrent resolution is to require the Department of Education (DOE) to prioritize a portion of the available vacant classrooms for use by public charter schools, and require DOE and the Charter School Administrative Office (CSAO) to:

- 1) Coordinate and allow the use of vacant school classrooms by charter schools; and
- 2) Prepare a list of vacant classrooms to be set aside for public charter schools to submit to the Legislature before it adjourns its 2010 Session.

The Office of the Governor, Office of Hawaiian Affairs, CSAO, Hawaii Charter School Network, and Kamehameha Schools testified in support of this measure. DOE opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Removing the request to DOE to allow the use of vacant classrooms by charter schools;
- (2) Recognizing that BOE has the power to formulate statewide educational policy pursuant to HRS 302A-1101, and that DOE is restricted in efforts to consolidate schools pursuant to the Hawaii Administrative Rules, Title 8, Chapter 38;
- (3) Stating that DOE has established task forces to explore school consolidations on Hawaii, Maui, Molokai, and Oahu with future plans to research school consolidation in five different areas on Oahu, and that schools closed due to consolidation, such as Wailupe School, are at risk of being removed from DOE authority;
- (4) Requesting BOE to develop policies to allot a portion of the existing eighty vacant classrooms for use by charter schools, and also develop policies that allow public schools that are closed to remain as facilities available for use by charter schools or for other educational purposes;
- (5) Changing the title of the concurrent resolution to read: "REQUESTING THE BOARD OF EDUCATION TO CREATE POLICIES ALLOWING CHARTER SCHOOLS TO USE VACANT CLASSROOMS AND SCHOOLS THAT WILL BE CLOSED"; and
- (6) Changing the submittal deadline of the list of vacant classrooms and schools due to the Legislature to April 29, 2010 and including in that list schools that have recently been closed or are to be closed;
- (6) [sic] Requiring that BOE submit a report summarizing the policies they develop in accordance to this concurrent resolution to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011;
- (8) Specifying that certified copies of this concurrent resolution be transmitted to:
 - (A) The Chairperson of the BOE;
 - (B) The Superintendent of Education;
 - (C) The Executive Director of the CSAO; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 38, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Yamane and Ching.

SCRep. 1056-10 Education/Agriculture on H.C.R. No. 290

The purpose of this concurrent resolution is to request the Department of Education (DOE) to convene a working group to consider leasing or renting public school cafeterias to value-added food processors to promote the use of locally-grown fresh produce in school meals.

The Hawaii Farm Bureau, Kauai County Farm Bureau, League of Women Voters of Honolulu, West County Farm Bureau, and several concerned individuals testified in support of this measure. DOE and the Department of the Attorney General provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing DOE to Hawaii Farm Bureau as the entity that will convene the working group; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 290, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 290, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Shimabukuro, Tokioka, Wakai, Yamane and Marumoto.

SCRep. 1057-10 Agriculture/Transportation on H.R. No. 221

The purpose of this resolution is to urge Hawaii's congressional delegation to seek clarification from the United States Secretary of Transportation regarding the use of airport revenues to pay for the operational costs of state agricultural inspections of incoming air cargo at state airports.

Hawaii Farm Bureau Federation and Kauai County Farm Bureau testified in support of this resolution.

As affirmed by the records of votes of the members of your Committees on Agriculture and Transportation that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 221 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1058-10 Agriculture/Transportation on H.C.R. No. 305

The purpose of this concurrent resolution is to urge Hawaii's congressional delegation to seek clarification from the United States Secretary of Transportation regarding the use of airport revenues to pay for the operational costs of state agricultural inspections of incoming air cargo at state airports.

Hawaii Farm Bureau Federation and Kauai County Farm Bureau testified in support of this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Agriculture and Transportation that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 305 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1059-10 Transportation on H.R. No. 161

The purpose of this House Resolution is to urge the Department of Transportation to make top priority projects the installation of a left-turn lane on Kalaniana'ole Highway Koko Head-bound into the Koko Marina shopping center and the installation of a second right-turn lane from Lunalilo Home road ewa-bound onto Kalaniana'ole Highway.

The Department of Transportation submitted comments on these projects and further noted its top priorities for traffic congestion relief are focused along Interstate Route H-1. Rep. Gene Ward strongly supported this House Resolution. Ms. Natalie Iwasa, aka Bicycle Mom, submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 161 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Pine.

SCRep. 1060-10 Transportation on H.C.R. No. 232

The purpose of this House Concurrent Resolution is to urge the Department of Transportation to make top priority projects the installation of a left-turn lane on Kalaniana'ole Highway Koko Head-bound into the Koko Marina shopping center and the installation of a second right-turn lane from Lunalilo Home road ewa-bound onto Kalaniana'ole Highway.

The Department of Transportation submitted comments on these projects and further noted its top priorities for traffic congestion relief are focused along Interstate Route H-1. Rep. Gene Ward strongly supported this House Concurrent Resolution. Ms. Natalie Iwasa, aka Bicycle Mom, submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 232 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Pine.

SCRep. 1061-10 Tourism, Culture, & International Affairs on H.C.R. No. 284

The purpose of this concurrent resolution is to request the Department of Accounting and General Services (DAGS) to undertake planning activities with respect to a new stadium on Oahu and related matters.

The Hawaii Laborers' Union supported this concurrent resolution. DAGS opposed this measure. The Pacific Resource Partnership provided comments.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 284 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey, Takai and Wakai.
(Representative Marumoto voted no.)

SCRep. 1062-10 Tourism, Culture, & International Affairs on H.R. No. 199

The purpose of this resolution is to support the recognition of cockfighting as a cultural activity.

The Molokai Gamefowl Association and many concerned individuals supported this resolution. The Humane Society of the United States, Hawaiian Humane Society, Maui Humane Society, Kauai Humane Society, West Hawaii Humane Society, Animal Rights Hawaii, Hawaiian Kennel Club, and numerous concerned individuals opposed this measure. Many concerned individuals provided comments.

A number of concerns were raised with regard to this issue. However, your Committee believes that this measure warrants further discussion and believes that the establishment of a cockfighting commission should be considered.

Your Committee has amended this resolution by:

- (1) Reaffirming that the House of Representatives does not support gambling, betting, or gaffs; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 199, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 199, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey, Takai and Wakai.
(Representatives Tokioka and Marumoto voted no.)

SCRep. 1063-10 Tourism, Culture, & International Affairs on H.C.R. No. 277

The purpose of this concurrent resolution is to support the recognition of cockfighting as a cultural activity.

The Molokai Gamefowl Association and many concerned individuals supported this concurrent resolution. The Humane Society of the United States, Hawaiian Humane Society, Maui Humane Society, Kauai Humane Society, West Hawaii Humane Society, Animal Rights Hawaii, Hawaiian Kennel Club, and numerous concerned individuals opposed this measure. Many concerned individuals provided comments.

A number of concerns were raised with regard to this issue. However, your Committee believes that this measure warrants further discussion and believes that the establishment of a cockfighting commission should be considered.

Your Committee has amended this concurrent resolution by:

- (1) Reaffirming that the Legislature does not support gambling, betting, or gaffs; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 277, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 277, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Choy, McKelvey, Takai and Wakai.
(Representatives Tokioka and Marumoto voted no.)

SCRep. 1064-10 Agriculture/Water, Land, & Ocean Resources on H.R. No. 119

The purpose of this resolution is to request the Legislature to convene an investigatory public hearing to:

- (1) Investigate policies and practices of various state and county agencies' permitting, approvals, and decisions that affect the availability of water for agriculture and maintenance of agricultural irrigation systems; and
- (2) Identify any statutory or other amendments that may be necessary to promote and meet the objectives of the biosecurity program.

Agribusiness Development Corporation, Hawaii Council of Mayors, Hawaii Crop Improvement Association, ILWU Local 142, Kauai Taro Growers Association, Kauai County Farm Bureau, Hui O Ka Ike, Hawaii Cattlemen's Council, and a multitude of concerned individuals testified in support of this resolution. Land Use Research Foundation of Hawaii and Hawaii Farm Bureau Federation supported the intent of this measure. Concerned individuals opposed this resolution. The Department of Agriculture provided comments.

Your Committee has amended this resolution by including the Department of Hawaiian Home Lands and the mayors of each county as part of the investigatory hearing.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 119, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Choy, Herkes, Manahan, McKelvey, Takai and Tokioka.

SCRep. 1065-10 Agriculture/Water, Land, & Ocean Resources on H.C.R. No. 184

The purpose of this concurrent resolution is to request the Legislature to convene an investigatory public hearing to:

- (1) Investigate policies and practices of various state and county agencies' permitting, approvals, and decisions that affect the availability of water for agriculture and maintenance of agricultural irrigation systems; and
- (2) Identify any statutory or other amendments that may be necessary to promote and meet the objectives of the biosecurity program.

Agribusiness Development Corporation, Hawaii Council of Mayors, Hawaii Crop Improvement Association, ILWU Local 142, Kauai Taro Growers Association, Kauai County Farm Bureau, Hui O Ka Ike, Hawaii Cattlemen's Council, and a multitude of concerned individuals testified in support of this concurrent resolution. Land Use Research Foundation of Hawaii and Hawaii Farm Bureau Federation supported the intent of this measure. Concerned individuals opposed this concurrent resolution. The Department of Agriculture provided comments.

Your Committee has amended this concurrent resolution by including the Department of Hawaiian Home Lands and the mayors of each county as part of the investigatory hearing.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 184, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 184, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Choy, Herkes, Manahan, McKelvey, Takai and Tokioka.

SCRep. 1066-10 Water, Land, & Ocean Resources on H.C.R. No. 243

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR), with the assistance of the Attorney General, to make the Haleakala Trail on the island of Maui available to the people of Hawaii, by working with Haleakala Ranch to resolve the ongoing dispute over title to a portion of the trail.

The Representative from the 11th district and a concerned individual testified in support of this concurrent resolution. DLNR provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1067-10 Water, Land, & Ocean Resources on H.C.R. No. 181

The purpose of this concurrent resolution is to request the Land Division of the Department of Land and Natural Resources (DLNR) to develop a plan to redirect storm water runoff from state lands adjacent to the Hanapepe Salt Ponds away from the salt pans, to prevent the further decline of these ancient Hawaiian salt ponds.

Hui Hana Pa'akai O Hanapepe and a concerned individual testified in support of this concurrent resolution. DLNR opposed this measure.

Your Committee has amended this measure by:

- (1) Stipulating in the request to DLNR, that DLNR consult with the salt makers when developing the plan to redirect storm water runoff away from the salt pans; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 181, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 181, H.D. 1.

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

SCRep. 1068-10 Water, Land, & Ocean Resources on H.C.R. No. 306

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR), with the cooperation and input of various government agencies and stakeholders, to conduct a comprehensive study on the most effective and efficient methods for the control and reduction of the feral pig population statewide, specific to each type of site.

The Hawaii Farm Bureau Federation, Oahu Pig Hunters Association, Conservation Council for Hawaii, and a concerned individual testified in support of this concurrent resolution. The Humane Society of the United States and a concerned individual supported this measure with amendments. DLNR opposed this measure. Animal Rights Hawaii offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Including the most humane methods among the population control methods requested to be studied by DLNR; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the title to read, "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO CONDUCT A STUDY ON THE MOST EFFECTIVE, EFFICIENT, AND HUMANE METHODS FOR THE CONTROL AND REDUCTION OF THE FERAL PIG POPULATION STATEWIDE."

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 306, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 306, H.D. 1.

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

SCRep. 1069-10 Water, Land, & Ocean Resources/Higher Education on H.R. No. 231

The purpose of this resolution is to approve the fee simple sale of state land pursuant to Act 176, Session Laws of Hawaii 2009 (Act 176). Specifically, the University of Hawaii (UH) seeks to sell non-ceded lands in Kapolei donated to UH by the Campbell Estate to build the UH-West Oahu campus to meet the condition running with the land that construction of the campus commence by December 31, 2011.

UH-West Oahu testified in support of this resolution. The Office of Hawaiian Affairs provided comments.

The private, non-ceded lands were donated on the specific conditions that a campus would be built that accommodates at least 2,750 students and that construction would begin by December 31, 2011, otherwise the lands would revert to the Campbell Estate. Your Committee finds that the sale of the subject land would raise the funds necessary to finance the construction of this campus.

Your Committees find that the land was derived from Campbell Estate lands, and is konohiki land, which by definition is not ceded land. To be sure, a title search has been conducted on the subject land, which has revealed that the subject land is not ceded land.

Your Committees further find that an appraisal is currently being conducted as to the subject land. However, as the subject land is currently in negotiations for the sale, the State is prohibited from disclosing the information until that process is completed. Therefore, the intent of your Committees is to have the appraisal information required under Act 176 inserted into this resolution at the appropriate time, once it becomes available.

Your Committees have amended this resolution by:

- (1) Inserting the Tax Map Key No. information of the subject land sought to be sold, to comply with the provisions of Act 176; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 231, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 231, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chong, Luke, Manahan, Morita, Shimabukuro and Yamane. (Representatives Berg, Cabanilla, Hanohano, Saiki and Takai voted no.)

SCRep. 1070-10 Water, Land, & Ocean Resources/Higher Education on H.C.R. No. 316

The purpose of this concurrent resolution is to approve the fee simple sale of state land pursuant to Act 176, Session Laws of Hawaii 2009 (Act 176). Specifically, the University of Hawaii (UH) seeks to sell non-ceded lands in Kapolei donated to UH by the Campbell Estate to build the UH-West Oahu campus to meet the condition running with the land that construction of the campus commence by December 31, 2011.

UH-West Oahu testified in support of this concurrent resolution. The Office of Hawaiian Affairs provided comments.

The private, non-ceded lands were donated on the specific conditions that a campus would be built that accommodates at least 2,750 students and that construction would begin by December 31, 2011, otherwise the lands would revert to the Campbell Estate. Your Committee finds that the sale of the subject land would raise the funds necessary to finance the construction of this campus.

Your Committees find that the land was derived from Campbell Estate lands, and is konohiki land, which by definition is not ceded land. To be sure, a title search has been conducted on the subject land, which has revealed that the subject land is not ceded land.

Your Committees further find that an appraisal is currently being conducted as to the subject land. However, as the subject land is currently in negotiations for the sale, the State is prohibited from disclosing the information until that process is completed. Therefore, the intent of your Committees is to have the appraisal information required under Act 176 inserted into this concurrent resolution at the appropriate time, once it becomes available.

Your Committees have amended this concurrent resolution by:

- (1) Inserting the Tax Map Key No. information of the subject land sought to be sold, to comply with the provisions of Act 176; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 316, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 316, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chong, Luke, Manahan, Morita, Shimabukuro and Yamane.
(Representatives Berg, Cabanilla, Hanohano, Saiki and Takai voted no.)

SCRep. 1071-10 Water, Land, & Ocean Resources on H.C.R. No. 50

The purpose of this concurrent resolution is to request the State Auditor to conduct a management audit of the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources (DLNR), specifically addressing, among other things, the following issues:

- (1) SHPD's relationship with the burial councils and failure to properly document, reinter, and preserve historic artifacts;
- (2) The current status of the geographic information system and its management;
- (3) Qualifications of the Division Administrator and SHPD's organizational structure;
- (4) Compliance with the Federal Historic Preservation Grant Program and consultation responsibilities under Section 6 of the National Historic Preservation Act of 1966, as amended; and
- (5) Compliance with the project review process under Chapter 6E, Hawaii Revised Statutes.

The Office of Hawaiian Affairs, Kanaka Council Moku O Keawe, Koolaupoko Hawaiian Civic Club, and several concerned individuals testified in support of this concurrent resolution. DLNR provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Inserting information on the federal National Park Service's final report indicating SHPD's deficiencies in certain federal program areas, and allowing SHPD two years to comply with a corrective plan to prevent the suspension of National Park Service's (NPS's) annual federal grant which comprises half of SHPD's budget;
- (2) Replacing the request for an audit of SHPD with a one-day summit to heal and create positive change for SHPD, including making recommendations for legislation that will ensure SHPD is complying with its mission, given SHPD's brief remaining time under the current administration, to allow SHPD to focus on compliance with NPS' corrective plan and prevent the disruption of SHPD's current responsibilities;
- (3) Changing the title to read, "REQUESTING A ONE-DAY SUMMIT FOR THE HEALING AND CREATION OF POSITIVE CHANGE FOR THE STATE HISTORIC PRESERVATION DIVISION OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES"; and
- (4) Requesting that representatives from the following agencies and groups, and individuals participate in the one-day summit:
 - (A) The Office of Hawaiian Affairs;
 - (B) The Administrator of SHPD;
 - (C) Liveable Hawaii Kai Hui;
 - (D) Hale Mua;
 - (E) The Island Burial Councils;
 - (F) Friends of SHPD;
 - (G) Historic Hawaii Foundation
 - (H) Kahu O Kahiko;
 - (I) Society for Hawaiian Archaeology;
 - (J) Native Hawaiian Legal Corporation;
 - (K) Kaleo Paik;
 - (L) Lauren Morawski; and

(M) Chris Monahan.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 50, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

SCRep. 1072-10 Energy & Environmental Protection on H.R. No. 209

The purpose of this measure is to request the Department of Accounting and General Services, the Administrator of the State Procurement Office, the University of Hawaii Procurement Institute, the High Technology Development Corporation, and other interested parties to form a working group to develop a strategy to attract and retain local energy service companies to perform work on state contracts.

One business testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the title to: "REQUESTING THE UNIVERSITY OF HAWAII PROCUREMENT INSTITUTE TO REVIEW THE POLICIES AND REQUIREMENTS IN THE AWARDING OF STATE ENERGY SERVICE CONTRACTS";
- (2) Changing the purpose paragraph to state that "the University of Hawaii procurement Institute is requested to review and if necessary convene a working group to review the pre-qualification criteria for "preferred vendor" status and request proposals used to award contracts for work on state contracts performed by energy service providers. The working group may consist of the Department of Accounting and General Services, the Administrator of the State Procurement Office, the High Technology Development Corporation and other interested and affected parties";
- (3) Deleting the request that the working group's assessment examine whether the criteria unfairly limits local vendors from competing for state contracts;
- (4) Deleting the request that the working group's assessment develop procurement policies that will provide more benefit for local companies; and
- (5) Amending the recipients by deleting the Hawaii District Director of the Small Business Administration and the President of the Chamber of Commerce Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 209, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 209, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

SCRep. 1073-10 Energy & Environmental Protection on H.C.R. No. 288

The purpose of this measure is to request the Department of Accounting and General Services, the Administrator of the State Procurement Office, the University of Hawaii Procurement Institute, the High Technology Development Corporation, and other interested parties to form a working group to develop a strategy to attract and retain local energy service companies to perform work on state contracts.

One business testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the title to: "REQUESTING THE UNIVERSITY OF HAWAII PROCUREMENT INSTITUTE TO REVIEW THE POLICIES AND REQUIREMENTS IN THE AWARDING OF STATE ENERGY SERVICE CONTRACTS";
- (2) Changing the purpose paragraph to state that "the University of Hawaii procurement Institute is requested to review and if necessary convene a working group to review the pre-qualification criteria for "preferred vendor" status and request proposals used to award contracts for work on state contracts performed by energy service providers. The working group may consist of the Department of Accounting and General Services, the Administrator of the State Procurement Office, the High Technology Development Corporation and other interested and affected parties";
- (3) Deleting the request that the working group's assessment examine whether the criteria unfairly limits local vendors from competing for state contracts;
- (4) Deleting the request that the working group's assessment develop procurement policies that will provide more benefit for local companies; and
- (5) Amending the recipients by deleting the Hawaii District Director of the Small Business Administration and the President of the Chamber of Commerce Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 288, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 288, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chong and Herkes.

SCRep. 1074-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 110

The purpose of this resolution is to honor and remember the lives of members of the United States Armed Forces who have lost their lives in the line of duty by urging the United States Congress to designate the Honor and Remember Flag as a national symbol of recognition of this sacrifice.

A concerned individual supported this resolution.

Your Committee finds that the "Honor and Remember Flag," with its symbols of the bravery, sacrifice, purity of sacrifice, and eternal spirit of the departed warrior, is a fitting tribute to our service members who have given their lives in the line of duty.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 110 and recommends its adoption.

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

SCRep. 1075-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 175

The purpose of this concurrent resolution is to honor and remember the lives of members of the United States Armed Forces who have lost their lives in the line of duty by urging the United States Congress to designate the Honor and Remember Flag as a national symbol of recognition of this sacrifice.

A concerned individual supported this concurrent resolution.

Your Committee finds that the "Honor and Remember Flag," with its symbols of the bravery, sacrifice, purity of sacrifice, and eternal spirit of the departed warrior, is a fitting tribute to our service members who have given their lives in the line of duty.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175 and recommends its adoption.

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

SCRep. 1076-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 102

The purpose of this concurrent resolution is to protect Hawaii's citizens from the adverse effects of hexavalent chromium by urging the Occupational Safety and Health Administration (OSHA) to vigorously enforce its regulations on hexavalent chromium, adopt meaningful enforcement mechanisms, and promote the use of safer alternatives.

The American Cancer Society supported this concurrent resolution. The Department of Labor and Industrial Relations opposed this measure.

Your Committee heard testimony that OSHA regulations do contain mechanisms for enforcement of workplace limits on exposure to hexavalent chromium that include citations and monetary fines. In addition, there does not appear to be an industry consensus on whether the trivalent chromium process is a safer alternative to hexavalent chromium, and OSHA's regulatory role does not include the development of safer alternatives.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Removing language implying that OSHA has no meaningful mechanisms to enforce its hexavalent chromium exposure limits;
- (2) Removing the statement that the trivalent chromium process is a safer alternative to hexavalent chromium;
- (3) Removing language urging OSHA to develop safer alternatives to hexavalent chromium;
- (4) Amending the title to read, "EXPRESSING SUPPORT FOR THE VIGOROUS ENFORCEMENT OF EXISTING OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION REGULATIONS ON THE USE OF HEXAVALENT CHROMIUM AND URGING THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION TO PROMOTE THE USE OF SAFER ALTERNATIVES WITH THE GOAL OF EVENTUALLY BANNING HEXAVALENT CHROMIUM"; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 102, H.D. 1.

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

SCRep. 1077-10 Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on H.R. No. 82

The purpose of this resolution is to work toward correcting the injustice done to Filipino veterans who fought in World War II by urging the President of the United States and Congress to expedite the processing of claims and payments to Filipino veterans under the American Recovery and Reinvestment Act (ARRA).

During World War II, 250,000 Filipino soldiers fought side-by-side with United States soldiers against Japan after being promised full veterans benefits. Congress reneged on this promise and denied veterans benefits to the World War II Filipinos after the war ended. In 2009, more than 60 years later, ARRA authorized partial reparations for these veterans in the form of lump sum payments in lieu of the promised pensions.

However, even with the enactment of ARRA, our nation may entirely lose the opportunity to correct the injustice done to the World War II Filipino veterans. Only about 11,000 of these veterans, now in their 80s and 90s, are still alive, and many have yet to receive the ARRA payment. This resolution urges the expeditious processing and payment of the ARRA reparations before it is too late.

A concerned individual supported this resolution.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. NO. 82 and recommend its adoption.

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

SCRep. 1078-10 Tourism, Culture, & International Affairs/Economic Revitalization, Business, & Military Affairs on H.C.R. No. 142

The purpose of this concurrent resolution is to work toward correcting the injustice done to Filipino veterans who fought in World War II by urging the President of the United States and Congress to expedite the processing of claims and payments to Filipino veterans under the American Recovery and Reinvestment Act (ARRA).

During World War II, 250,000 Filipino soldiers fought side-by-side with United States soldiers against Japan after being promised full veterans benefits. Congress reneged on this promise and denied veterans benefits to the World War II Filipinos after the war ended. In 2009, more than 60 years later, ARRA authorized partial reparations for these veterans in the form of lump sum payments in lieu of the promised pensions.

However, even with the enactment of ARRA, our nation may entirely lose the opportunity to correct the injustice done to the World War II Filipino veterans. Only about 11,000 of these veterans, now in their 80s and 90s, are still alive, and many have yet to receive the ARRA payment. This concurrent resolution urges the expeditious processing and payment of the ARRA reparations before it is too late.

A concerned individual supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 142 and recommend its adoption.

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

SCRep. 1079-10 Transportation on H.R. No. 81

The purpose of this House Resolution is to support the application of Hawaiian Airlines to provide airline service to Haneda Airport in Tokyo, Japan.

Mr. Keoni Wagner, Vice President for Public Affairs for Hawaiian Airlines presented testimony supporting this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Pine.

SCRep. 1080-10 Transportation on H.C.R. No. 141

The purpose of this House Concurrent Resolution is to support the application of Hawaiian Airlines to provide airline service to Haneda Airport in Tokyo, Japan.

Mr. Keoni Wagner, Vice President for Public Affairs for Hawaiian Airlines presented testimony supporting this House Concurrent Resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141 and recommends its adoption.

Signed by all members of the Committee except Representatives M. Lee, Saiki and Pine.

SCRep. 1081-10 Finance on S.B. No. 2676

The purpose of this bill is to appropriate emergency funding to the Aloha Tower Development Corporation (ATDC) to increase ATDC's spending ceiling for the settlement of a claim against ATDC. Specifically, this bill increases ATDC's spending ceiling from \$1,628,940 to \$2,528,940 for fiscal year 2009-2010. The amount due under the settlement agreement in *Kenneth H. Hughes, Inc. v. Aloha Tower Development Corporation*, Civil No. 09-00277 DAE-BMK, USDC is \$1,550,000.

ATDC and the Department of the Attorney General supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2676, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Sagum and Finnegan.

SCRep. 1082-10 Finance on S.B. No. 2432

The purpose of this bill is to repeal the law that establishes the Hawaii Institute for Educational Partnerships.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2432 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 1083-10 Finance on S.B. No. 2109

The purpose of this bill is to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) to grant no-interest low-income housing tax credit loans to replace state low-income housing tax credits that have devalued as a result of the economic crisis.

The Hawaii Public Housing Authority; HHFDC; Catholic Charities Hawaii; Mutual Housing Association of Hawaii, Inc.; EAH Housing; Hawaii Association of REALTORS; Castle & Cooke Hawaii; Housing Hawaii Inc.; Stanford Carr Development, LLC; Kauai County Housing Agency; Land Use Research Foundation of Hawaii; and a concerned individual supported this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1084-10 Finance on S.B. No. 2173

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the Executive Branch and the Judiciary. This bill also makes findings that the issuance of general obligation bonds will not cause the debt limit to be exceeded.

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

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2173, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2173, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Sagum and Finnegan.

SCRep. 1085-10 Finance on S.B. No. 2685

The purpose of this bill is to streamline the operations of the Department of Budget and Finance (B&F) with regard to unclaimed property by:

- (1) Requiring holders of unclaimed property to remit all unclaimed property at the same time they file their report concerning the unclaimed property with the Director of Finance; and

- (2) Removing the requirement of 120 days within which the Director of Finance must allow or deny a claim for property.

B&F supported this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2685, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2685, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Sagum and Finnegan.

SCRep. 1086-10 Finance on S.B. No. 2806

The purpose of this bill is to ensure that the Emergency and Budget Reserve Fund (EBRF) has adequate reserves during times of emergency, economic downturn, or unforeseen reduction in revenues. This bill:

- (1) Authorizes the transfer of five percent of the general fund balance at the close of the fiscal year when general fund revenues for each of two successive fiscal years exceed revenue for each of the preceding fiscal years by five percent;
- (2) Requires that the end-of-fiscal-year general fund balance be calculated before any tax refund or tax credit is authorized;
- (3) Prohibits the transfer of funds to the EBRF whenever the its balance is equal to or greater than ten percent of general fund revenues for the preceding fiscal year;
- (4) Requires that general fund revenues deposited into the EBRF be kept in separate accounts from other moneys in the EBRF;
- (5) Requires that all interest earned from moneys in the EBRF be credited to the fund; and
- (6) Clarifies that economic downturns must be severe before EBRF funds may be expended.

The Office of the Governor, Department of Budget and Finance, Policy Board for Elder Affairs, and Ohana Health Plan testified in support of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2806, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2806, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Sagum and Finnegan.

SCRep. 1087-10 Finance on S.B. No. 2825

The purpose of this bill is to clarify that the five-year maturity limitation for short-term investments also applies to the underlying securities of those investments.

The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the five-year maturity limitation applies to authorized investments with stated maturity dates, as well as the underlying securities for those investments;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2825, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2825, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Sagum and Finnegan.

SCRep. 1088-10 Higher Education on S.B. No. 2803

The purpose of this bill is to ensure greater student involvement in the work of Regents Candidate Advisory Council (Council) of the University of Hawaii (UH) by:

- (1) Establishing a student advisory group to work with and assist the Council with the recruitment and evaluation of candidates for the student member of the UH Board of Regents (BOR) and make recommendations to the Council based on the qualifications of the candidates applying for the position; and
- (2) Shortening the time for which an individual is ineligible for appointment to the Council due to past service on the Executive Council of the UH Student Caucus.

The Associated Students of the UH at Kauai Community College and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that the student advisory group shall include:
 - (A) No fewer than three student representatives from the UH Student Caucus; and
 - (B) No fewer than three student life advisors;
- (2) Requiring these student advisory group members to represent, to the maximum extent possible, the interests of the various UH campuses on each island; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2803, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2803, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Manahan, Shimabukuro, Yamane and Pine.

SCRep. 1089-10 Judiciary on S.B. No. 2745

The purpose of this bill is to update the Uniform Controlled Substances Act by, among other things:

- (1) Restoring the emergency scheduling of the Schedule I controlled substance Salvia divinorum and its constituent Salvinorin A as a hallucinogenic substance;
- (2) Modifying the show cause process and including therein the denial of an application for registration; and
- (3) Authorizing the imposition of administrative fines where a person subject to the requirements of the Controlled Substance Electronic Accountability Prescription System intentionally or knowingly fails to transmit required information, and adding thereto a request from the designated state agency for data correction.

The Department of Public Safety and Honolulu Police Department testified in support of this bill. The Drug Policy Forum of Hawaii testified in opposition to this measure. Walgreens provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2745, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1090-10 Judiciary on S.B. No. 2754

The purpose of this bill is to improve highway safety by conforming Hawaii's commercial motor vehicle disqualification requirements with federal commercial driver licensing laws.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2754 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1091-10 Judiciary on S.B. No. 2759

The purpose of this bill is to clarify Hawaii's licensing laws by excluding commercial motor vehicles from category 4 motor vehicles.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2759 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1092-10 Judiciary on S.B. No. 2859

The purpose of this bill is to amend the Motor Vehicle Industry Licensing Act to update the rights and liabilities between motor vehicle dealers and manufacturers.

The Motor Vehicle Industry Licensing Board opposed this measure. The Department of the Attorney General, Regulated Industries Complaints Office and Office of Administrative Hearings of the Department of Commerce and Consumer Affairs, Hawaii Automobile Dealers' Association, Alliance of Automobile Manufacturers, and General Motors, LLC provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2859, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1093-10 Judiciary on S.B. No. 2921

The purpose of this bill is to increase consumer protections and help ensure consistency for all entities performing escrow services relating to Hawaii real property by requiring the entity operating as an escrow depository for property located in the state to be licensed by the Commissioner of Financial Institutions.

The Department of Commerce and Consumer Affairs and Title Guaranty Escrow Services, Inc., testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2921, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1094-10 Consumer Protection & Commerce on S.B. No. 2137

The purpose of this bill is to support military personnel deployed outside of the state by allowing them to cancel or suspend health club contracts with written verification of their orders within 90 days.

Military Officers Association of America, Hawaii Chapter provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2137, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Ito, Mizuno and Thielen.

SCRep. 1095-10 Consumer Protection & Commerce on S.B. No. 2357

The purpose of this bill is to facilitate the reduction of the state's dependency on imported petroleum by establishing an annual reporting requirement for a gas utility to measure and evaluate its progress in integrating renewable resources as a part of its production of synthetic natural gas.

The Public Utilities Commission, Blue Planet Foundation, Sierra Club–Hawaii Chapter, and The Gas Company supported this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2357, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1096-10 Consumer Protection & Commerce on S.B. No. 2488

The purpose of this bill is to help provide sustainability for the net energy metering system by, among other things:

- (1) Prohibiting an electric utility from unreasonably denying, burdening, or delaying net energy metering service that is requested by an eligible customer-generator;
- (2) Permitting the Public Utilities Commission (PUC) to specify separate generating capacity requirements or limits for each specified individual generation technology;

- (3) Requiring the PUC to ensure the impacts of net energy metering on rates are reasonable;
- (4) Providing factors the PUC is required to consider in determining generating capacity requirements or limits; and
- (5) Permitting existing net-metered customers to maintain their existing contracts with PUC even after alternative mechanisms for crediting or compensating eligible customer generators for expanded power are established.

PUC, Hawaii Solar Energy Association, Blue Planet Foundation, Hawaii Renewable Energy Alliance testified in support of this bill. Hawaiian Electric Company, Maui Electric Company, and Hawaiian Electric Light Company supported the intent of this measure. SunPower Systems Corporation provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2488, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1097-10 Consumer Protection & Commerce on S.B. No. 2163

The purpose of this bill is to assure a high level of qualified nurses by, among other things:

- (1) Defining the practice of nursing;
- (2) Directing the Board of Nursing (Board) to adopt certain provisions of the National Council of State Board of Nursing Model Nursing Practice Act and Model Nursing Administrative Rules;
- (3) Delineating the scope of practice for registered nurses, licensed practical nurses, and Advanced Practice Registered Nurses (APRNs); and
- (4) Repealing Hawaii Administrative Rules relating to prescriptive authority for APRNs upon the Board's adoption of rules for APRN prescriptive authority.

The University of Hawaii System; Board; Hawaii State Center for Nursing; Kaiser Permanente Hawaii; Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO; and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2163, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1098-10 Consumer Protection & Commerce on S.B. No. 2898

The purpose of this bill is to better serve the public health, safety, and welfare by updating and improving the Diversion Program for Chemically Dependent Nurses (Program). This bill:

- (1) Authorizes the Board of Nursing (BON) to allow other entities besides a professional association to administer and monitor the Program;
- (2) Expands the function of the Program;
- (3) Allows disciplinary action to be taken against a nurse who is noncompliant with the Program;
- (4) Updates the reporting provisions; and
- (5) Provides that all records of a nurse participating in the Program not required by law to be reported shall be excluded from discovery or subpoena except by a law enforcement agency investigating the conduct of the nurse, BON, or the Regulated Industries Complaints Office (RICO).

The University of Hawaii, BON, Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO, and several concerned individuals testified in support of this measure. RICO offered comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2898, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1099-10 Consumer Protection & Commerce on S.B. No. 2837

The purpose of this bill is to maintain a level of skill, abilities, and competencies recognized within the electrical industry by revising as of July 1, 2013, the minimum requirements for licensure of electricians.

Hawaii Electricians Training Fund and Electrical Contractors Association of Hawaii testified in support of this bill. University of Hawaii System supported the intent of this measure. Board of Electricians and Plumbers provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2837, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Ito, Mizuno and Thielen.

SCRep. 1100-10 Finance on S.B. No. 1105

The purpose of this bill is to help provide greater accountability and transparency by requiring, among other things, that a public hearing or informational briefing be held on any report of a study or an audit conducted by an executive department or agency, including the Hawaii Health Systems Corporation; the Legislative Reference Bureau (LRB); Auditor; Judiciary; and Office of Hawaiian Affairs.

LRB provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Sagum and Finnegan.
(Representative Ward voted no.)

SCRep. 1101-10 Judiciary on H.R. No. 11

The purpose of this resolution is to request the Department of Human Services to investigate the domestic abuse endured by men and initiated by women in Hawaii.

A concerned individual testified in support of this resolution. Domestic Violence Action Center and Hawaii State Coalition Against Domestic Violence opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 11 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.
(Representatives Belatti, Marumoto and Thielen voted no.)

SCRep. 1102-10 Judiciary on H.C.R. No. 49

The purpose of this concurrent resolution is to request the Department of Human Services to investigate the domestic abuse endured by men and initiated by women in Hawaii.

A concerned individual testified in support of this concurrent resolution. Domestic Violence Action Center and Hawaii State Coalition Against Domestic Violence opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.
(Representatives Belatti, Marumoto and Thielen voted no.)

SCRep. 1103-10 Consumer Protection & Commerce on H.R. No. 41

The purpose of this resolution is to reduce the number of drunk driving fatalities and violent crimes by requesting the Department of Commerce and Consumer Affairs (DCCA) to study the feasibility of establishing mandatory uniform statewide standards for training and certification of those involved in the selling and serving of alcoholic beverages in commercial establishments.

Hawaii Food Industry Association and Mothers Against Drunk Driving Hawaii testified in support of this resolution. The liquor commissions for City and County of Honolulu, Hawaii County, Kauai County, and Maui County supported the intent of this measure. DCCA provided comments.

Your Committee has amended this resolution by:

- (1) Requesting the Honolulu Liquor Commission to study the feasibility of mandatory statewide training standards instead of DCCA; and
- (2) Changing the title to read, "REQUESTING THE HONOLULU LIQUOR COMMISSION TO STUDY THE FEASIBILITY OF MANDATORY STATEWIDE TRAINING STANDARDS FOR SELLERS AND SERVERS OF ALCOHOLIC BEVERAGES."

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 41, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1104-10 Consumer Protection & Commerce on H.C.R. No. 92

The purpose of this concurrent resolution is to reduce the number of drunk driving fatalities and violent crimes by requesting the Department of Commerce and Consumer Affairs (DCCA) to study the feasibility of establishing mandatory uniform statewide standards for training and certification of those involved in the selling and serving of alcoholic beverages in commercial establishments.

Hawaii Food Industry Association and Mothers Against Drunk Driving Hawaii testified in support of this concurrent resolution. The liquor commissions for City and County of Honolulu, Hawaii County, Kauai County, and Maui County supported the intent of this measure. DCCA provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Honolulu Liquor Commission to study the feasibility of mandatory statewide training standards instead of DCCA; and
- (2) Changing the title to read, "REQUESTING THE HONOLULU LIQUOR COMMISSION TO STUDY THE FEASIBILITY OF MANDATORY STATEWIDE TRAINING STANDARDS FOR SELLERS AND SERVERS OF ALCOHOLIC BEVERAGES."

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 92, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1105-10 Judiciary on S.B. No. 2937

The purpose of this bill is to establish a process whereby a state agency may request the Office of Information Practices (OIP) to declare a person a vexatious requester when that person has established a pattern of conduct demonstrating an abuse of the information practices law.

The Department of Taxation, OIP, and Department of Health testified in support of this bill. Several concerned individuals opposed this measure. Common Cause Hawaii and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Replacing provisions that allow OIP to declare a person a vexatious requester with provisions that exempt disclosure of government records in response to duplicate requests from a single requestor; provided that the agency to which the request was made satisfies specified requirements;
- (2) Adding a sunset date of July 1, 2013;
- (3) Making the bill effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2937, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2937, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1106-10 Judiciary on S.B. No. 2154

The purpose of this bill is to clarify information about parolees that probation officers may share, specifically that, with defendant's prior written consent:

- (1) Release of information from a treatment service provider, information about past and current assessments and need for treatment services may be provided to a treatment service provider or correctional case manager; and
- (2) Probation drug test results may be released to the defendant's treating physician if deemed pertinent to the defendant's medical care.

The Judiciary and the Department of Health testified in support of this bill. Hawaii Substance Abuse Coalition supported this bill with amendments. The Office of the Public Defender provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that any released past substance abuse records will be subject to Title 42 Code of Federal Regulations relating to confidentiality of alcohol and drug abuse patient records;

- (2) Requiring prior written consent of a defendant for release of probation drug test results; and
- (3) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2154, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2154, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1107-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2472

The purpose of this bill is to require mortgagees in a power-of-sale foreclosure to:

- (1) Provide the mortgagor with thirty days written notice of default and of the mortgagee's right to foreclose;
- (2) Advise the mortgagor of the availability of mortgage counseling; and
- (3) Upon request by the mortgagor, provide a copy of the promissory note and mortgage document to the mortgagor before initiating foreclosure proceedings.

This bill also provides that a public sale price of seventy percent of the fair market value of the mortgaged property is fair and reasonable.

The Hawaii Bankers Association and a concerned individual testified in support of this bill. The Hawaii Financial Services Association and Legal Aid Society of Hawaii supported the intent of this measure. The Hawaii Credit Union League, Hawaiian Alliance, LLC, and numerous concerned individuals opposed this bill. The Department of Commerce and Consumer Affairs, Collection Law Section of the Hawaii State Bar Association, Hawaii Council of Associations of Apartment Owners, and Community Associations Institute – Hawaii Chapter, opposed this measure.

Your Committees have amended this bill by replacing its entire contents with provisions that:

- (1) Establish the Mortgage Foreclosure Task Force (Task Force) to analyze various factors affecting mortgage foreclosures in Hawaii. The Task Force will develop policies and procedures to improve the way mortgage foreclosures are conducted, analyze the effectiveness of current foreclosure procedures, and evaluate the feasibility of establishing a state entity to address mortgagor concerns and provide consumer education; and
- (2) Take effect on July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2472, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2472, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Mizuno and Morita.

SCRep. 1108-10 Water, Land, & Ocean Resources on S.B. No. 2532

The purpose of this bill is to incorporate the definitions, guiding principles, and goals of the Hawaii 2050 Sustainability Task Force into the Hawaii State Planning Act, codified as Chapter 226, Hawaii Revised Statutes.

The University of Hawaii at Manoa, Hawaii Energy Policy Forum, The Nature Conservancy of Hawaii, Na'alehu Main Street, and several concerned individuals testified in support of this bill. The Office of the Governor and the Land Use Research Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2532, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1109-10 Water, Land, & Ocean Resources on S.B. No. 2547

The purpose of this bill is to provide that where an applicant for a commercial permit will disembark farepaying passengers with the expectation that they will enter upon any public or quasi-public real property during the course of an excursion between state boating facilities, the permit is conditioned on compliance with all rules applicable to those areas.

Castle & Cooke Resorts, LLC, and its affiliates, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and several concerned individuals opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Replacing the provisions in this bill with provisions that would require as a condition of any permit issued under the Ocean Recreational Law, that any permittee who, in the course of providing an excursion using state boating facilities, disembarks fare-paying passengers in certain counties with the expectation that the passengers will visit and participate in recreational activity on state property adjacent to quasi-public property during the excursion, to ensure that all such passengers while ashore are accompanied and supervised by a crew member qualified to render aid in an emergency;
- (2) Changing the effective date to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2547, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2547, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Herkes and Thielen.

SCRep. 1110-10 Water, Land, & Ocean Resources/Housing on S.B. No. 2408

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to allow developers to satisfy up to 33 percent of the reserved housing requirements by the construction of substitute reserved housing on lands under the control of the Department of Hawaiian Home Lands (DHHL) within the urban core of Honolulu on a one-to-one basis. This bill further provides for the authorized locations of substitute reserved housing units depending upon the location of the development project site.

DHHL testified in support of this bill. Kamehameha Schools supported the intent of this measure. A concerned individual opposed this bill. HCDA and several concerned individuals provided comments.

Your Committees have amended this bill by:

- (1) Changing the maximum percentage of affordable housing requirements that may be satisfied by the construction of substitute reserved housing units on DHHL lands from 33 percent to an unspecified percentage;
- (2) Defining the "urban core of Honolulu" where substitute reserved housing units may be constructed to include the neighborhoods of Salt Lake and Moanalua to Kahala and Maunalani Heights; and
- (3) Inserting the contents of House Bill No. 2849, H.D. 1, which encourages the development of affordable residential housing units by statutorily imposing a reserved housing requirement for the Kakaako mauka area of the Kakaako Community Development District for planned developments that are more than 45 feet in height or have a floor area ratio greater than 1.5 on land areas of 20,000 square feet or more.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2408, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2408, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1111-10 Finance on S.B. No. 2834

The purpose of this bill is to bring Hawaii into conformity with the Internal Revenue Code on the treatment of wagering winnings and losses, and to eliminate the confusion of taxpayers who travel to gambling destinations. Specifically, this bill allows gambling losses to be deducted up to the amount of gambling winnings for state income tax purposes.

The Department of Taxation and a concerned individual testified in support of this bill. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2834, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1112-10 Finance on S.B. No. 2395

The purpose of this bill is to improve government operations by:

- (1) Establishing that the provisions of the budget act shall prevail over statutory law whenever they are in conflict;

- (2) Requiring the Governor to execute the provisions of the budget act; and
- (3) Requiring the Governor to report the actions taken to the Legislature within 30 days of the enactment of the budget act.

The Hawaii State Teachers Association and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Department of Budget and Finance and Department of the Attorney General opposed this measure.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the provisions of H.B. No. 1287, H.D. 2, and making further changes. Specifically, this bill, as amended:

- (1) Extends the enabling law for the Voluntary Employees' Beneficiary Association Trust (VEBA) for six months to provide for a smoother transition to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF);
- (2) Appropriates \$232,542 for five temporary positions to assist in the transition of public employees and their dependents from VEBA to EUTF;
- (3) Appropriates \$244,359 for five permanent positions to assist in the performance of EUTF duties;
- (4) Appropriates \$223,099 for costs associated with the transition from VEBA to EUTF; and
- (5) Takes effect on July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2395, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2395, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Har.

SCRep. 1113-10 Finance on S.B. No. 2405

The purpose of this bill is to amend Hawaii's general excise tax and use tax laws to allow Hawaii to participate in the national Streamlined Sales and Use Tax Agreement.

The Hawaii Government Employees Association, Retail Merchants of Hawaii, Hawaii Association of REALTORS, and National Association of Social Workers supported this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii and Hawaii Alliance of Nonprofit Organizations provided comments.

Your Committee has amended this bill by deleting its contents and replacing it with the substance of H.B. No. 1907, H.D. 1. As amended this measure addresses, in part, the fiscal concerns facing the State by:

- (1) Temporarily suspending the income tax net operating loss carryback deduction for losses generated in 2009 and 2010;
- (2) Placing a temporary cap on itemized deductions claimed on state income tax returns, making the cap applicable to taxable years beginning after December 31, 2009, and repealing the cap on December 31, 2015; and
- (3) Removing the refunding feature of the Capital Goods Excise Tax Credit from January 1, 2010, to December 31, 2015.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2405, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2405, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1114-10 Finance on S.B. No. 2493

The purpose of this bill is to extend the use of a portion of the tobacco settlement funds allocated to the John A. Burns School of Medicine for annual operating expenses to 2015. This bill also reallocates monies in the Hawaii Tobacco Settlement Special Fund (Fund).

The University of Hawaii System (UH), Healthcare Association of Hawaii, Hawaii State Rural Health Association, and Queen's Health Systems testified in support of this bill. The Department of Budget and Finance, Hawaii Smokers Alliance, and a concerned individual opposed this measure. The American Cancer Society Hawaii Pacific, Inc., and Coalition for a Tobacco Free Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting the provision that reapportions monies in the Fund;
- (2) Requiring the Department of Health and UH to prepare a detailed accounting of all specified revenues and expenditures;
- (3) Changing the effective date to July 1, 2010; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2493, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1115-10 Finance on S.B. No. 2578

The purpose of this bill is to strengthen the state's housing market and construction industry by establishing the Hawaii Residential Housing Income Tax Credit, a refundable state income tax credit for qualified buyers of new homes, similar to the federal government's homebuyer income tax credit that will soon expire.

Specifically, this tax credit is limited to qualified taxpayers who sign a binding contract to purchase a qualified principal residence on or after April 1, 2010, and before January 1, 2012, and close escrow before March 1, 2012. The amount of the tax credit shall be equal to the lesser of a certain percentage of the purchase price of the qualified principal residence, or a set dollar amount, payable in two equal installments over the immediately-following two taxable years.

Castle & Cooke, Inc.; Hawaii Carpenters Union; the Pacific Resource Partnership; Gentry Homes, Ltd.; and Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Taxation opposed this measure. Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2578, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1116-10 Finance on S.B. No. 2643

The purpose of this bill is to make permanent the general excise tax exemptions for condominium common expenses paid by managers, submanagers, and suboperators, and for hotel employee expenses paid by hotel operators and timeshare projects.

Wyndham Worldwide, the Hawaii Association of REALTORS, Outrigger Hotels, American Resort Development Association-Hawaii, Marriott Vacation Club International, and Starwood Vacation Ownership supported this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by deleting its contents and replacing it with the substance of H.B. 2783, H.D. 2. As amended, this measure supports Hawaii's visitor and real estate industries by:

- (1) Capping the aggregate General Excise Tax (GET) exemption on amounts received by operators from a time share association and suboperators from hotel owners, time share associations, and operators, at \$400,000 per calendar year beginning January 1, 2010;
- (2) Making the GET exemption on the amounts received as reimbursement of the sums paid for common expenses by condominium and homeowners or community association submanagers (submanagers), retroactive to July 1, 2006; and
- (3) Repealing the provisions that made the GET cap of \$400,000 for operators, suboperators, and submanagers applicable to taxable years ending on or between January 1, 2010, and January 1, 2011.

Your Committee has further amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Adding a sunset date of January 1, 2014.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2643, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2643, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1117-10 Finance on S.B. No. 2695

The purpose of this bill is to address the extraordinary budgetary challenges of the 2009-2010 fiscal year by transferring to the general fund a certain amount of excess balances from various non-general funds.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that:

- (1) Transfers specific amounts of excess balances from the non-general funds included in S.B. No. 2695 except for the Wireless Enhanced 911 Fund; and
- (2) Transfers specific amounts of excess balances from 21 other non-general funds.

The University of Hawaii, Department of Agriculture, Hawaii Business Roundtable, American Cancer Society, General Contractors Association of Hawaii, University of Hawaii Foundation, Kobayashi Development Group LLC, and numerous concerned individuals testified in opposition to the proposed H.D. 1. The Department of Budget and Finance; Department of Health; Department of Accounting and General Services; Hawaii Tourism Authority; High Technology Development Corporation; Aloha Tower Development Corporation; The Research Corporation of the University of Hawaii; Tax Foundation of Hawaii; Kamehameha Schools; Healthcare Association of Hawaii; Hawaii Primary Care Association; The Pacific Resource Partnership; Hawaii Pacific Health; The Queen's Health Systems; Bank of Hawaii; American Council of Engineering Companies of Hawaii; KAI Hawaii, Inc.; Oceanit; Red Monarch Communications LLC; Insynergy Engineering, Inc.; Associated Students of University of Hawaii- Kauai Community College; and numerous concerned individuals offered comments.

Your Committee has amended this bill by replacing its substance with the provisions of the proposed H.D. 1 and by:

- (1) Deleting provisions that transfer specified sums to the general fund from: the Agricultural Park Special Fund, Aloha Tower Special Fund, Clean Air Special Fund, Community Health Centers Special Fund, Drinking Water Treatment Revolving Loan Fund, Emergency Medical Services Special Fund, Environmental Management Special Fund, Hawaii Cancer Research Special Fund, High Technology Special Fund, Neurotrauma Special Fund, Research and Training Revolving Fund, Systemwide Information Technology Services Special Fund, Trauma System Special Fund, Tuition and Fee Special Fund, University Revenue-Undertakings Fund, Vital Statistics Improvement Special Fund, Water Pollution Control Revolving Fund, and Works of Art Special Fund;
- (2) Reducing the sum to be transferred to the general fund from the Agricultural Loan Revolving Fund from \$1,000,000 to \$500,000;
- (3) Reducing the sum to be transferred from the Convention Center Enterprise Special Fund to the general fund from \$2,000,000 to \$1,000,000; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As amended, this bill transfers a total of \$7,000,000 in excess balances to the general fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2695, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2695, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1118-10 Finance on S.B. No. 2001

The purpose of this bill as received is to establish a waiver program through the Department of Taxation (DOTAX) to exempt a taxpayer's legally acquired wagering winnings, obtained outside of the state during a consecutive five-day period.

DOTAX and the Tax Foundation of Hawaii provided comments.

Your Committee finds that the current economic climate requires that extraordinary measures be pursued. Therefore, there is a compelling public interest for the early termination of tax credits that result in significant tax expenditures.

Accordingly, your Committee has amended this bill by deleting its contents and replacing them with the provisions of House Bill No. 2984, H.D. 2, that:

- (1) Extend the tax credit for research activities for an additional year; and
- (2) Repeal the technology infrastructure renovation tax credit and the high technology business investment tax credit.

Your Committee has further amended this bill by:

- (1) Changing the effective date to May 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee finds that this measure, as amended, is necessary to generate additional revenues to fund services essential to the public. It is intended to generate the revenues without impact to low- and moderate-income individuals and families.

Your Committee emphasizes that this H.D. 1 is one of a variety of targeted revenue enhancement measures intended to avoid placing a large burden on ordinary residents and businesses. As with its proposed budget and other actions, your Committee has sought to fund services considered essential for public health, welfare, and education in both a fiscally and socially responsible manner while doing as little harm as possible to a fledgling economic recovery. The House of Representatives has made many difficult decisions in an effort to achieve this balance, and this H.D. 1 is a part of this process.

Finally, your Committee notes that this measure, as amended, has certain distinctions from House Bill No. 2984, H.D. 2. These distinctions include the following:

- (1) This draft has been divided into parts to allow for an easier understanding of the provisions. Part I sets forth the purpose of the bill. Part II extends the research activity tax credit for qualified high technology businesses. Part III repeals the technology infrastructure renovation tax credit and the high technology business investment tax credit. Part IV includes conforming amendments and part V includes general provisions;
- (2) The effective date in this measure has been changed to indicate your Committee's express intent that should the bill be approved or otherwise become law after May 1, 2010, the provisions shall be retroactive to that date;
- (3) Section 15 of this measure, as amended, clarifies that these provisions will apply to investments made and renovation costs incurred on or after May 1, 2010; and
- (4) Technical amendments have been made to ensure that the provisions of this bill, as amended, will remain in effect rather than being repealed subject to previous Acts.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2001, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2001, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1119-10 Finance on S.B. No. 2401

The purpose of this bill, as received by your Committee, is to clarify the role of the Director of Finance with respect to maintaining books and records.

Your Committee has replaced the provisions of this bill with provisions that temporarily suspend the ability of a taxpayer to claim the Technology Infrastructure Renovation and High Technology Business Investment Tax Credits. More specifically, the amended bill prohibits the tax liability of a taxpayer for taxable years beginning in 2010, 2011, and 2012 from being reduced by those credits. The provision applies to a taxpayer under the income tax, bank and financial corporation tax, and insurance premium tax laws. The bill, as amended, is conceptually similar to House Bill No. 2962, H.D. 1, which was previously passed by the House.

Your Committee finds that this amendment is necessary to generate more revenues to fund services essential to the public. It is intended to generate the revenues from persons who may be better able to afford to pay the additional taxes than low- or moderate-income persons.

Your Committee emphasizes that the House Draft 1 (HD1) of this bill is one of a variety of revenue enhancement measures that are targeted, rather than broad-based. The HD1 is intended to avoid placing the major burden on ordinary residents and businesses. In its budget and other actions, your Committee has sought to fund services essential for public health, welfare, and education yet minimize the impact on the general public and economic recovery. The House has made many difficult decisions, after much hard work, to achieve this balance. The HD1 is one result of these difficult decisions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2401, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2401, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1120-10 Finance on S.B. No. 2402

The purpose of this bill, as received by your Committee, is to clarify the authority of the Department of Taxation (DOTAX) to assess and collect a fee for any comfort letter issued by DOTAX.

DOTAX and the Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by deleting its substance and replacing it with the provisions of H.B. No. 2877, H.D. 1, with certain revisions. Among other things, this bill, as amended, temporarily:

- (1) Suspends the general excise and use tax exemptions for certain amounts received by certain persons; and
- (2) Requires those persons to pay the applicable tax on those amounts at a rate of one percent.

Your Committee believes that the H.D. 1 is a more equitable way to raise general revenues for the state budget than a general excise and use tax rate increase. The H.D. 1 broadens the tax base by removing exemptions benefiting relatively few persons. Your Committee finds that this method is preferable to raising the general excise tax rate which would exacerbate the regressiveness of the tax, impact the poor more harshly than the rich, and hinder economic recovery by increasing the cost of doing business in the state. Raising the general excise tax rate to increase state budget appropriations merely shifts dollars from the private sector to the public sector. This shift would not represent economic growth.

Your Committee emphasizes that the H.D. 1 is one of a variety of House revenue enhancement measures that are targeted, rather than broad-based. The H.D. 1 is intended to avoid placing the major burden on ordinary residents and businesses. In its budget and other actions, your Committee has sought to fund services essential for public health, welfare, and education yet minimize the impact on the general public and economic recovery. The House has made many difficult decisions, after much hard work, to achieve this balance. The H.D. 1 is one result of the difficult decisions.

Your Committee notes that the H.D. 1 has the following major differences from H.B. No. 2877, as passed by the House:

- (1) Language has been added expressly stating that the county surcharge for mass transit shall not be levied, assessed, or collected on the gross income, gross proceeds, or value of the activities, the exemption for which is temporarily suspended. The language is set forth in the new section 237-A(d) and section 238-A(d), Hawaii Revised Statutes (HRS);
- (2) Language has been added authorizing the Director of Taxation (Director) to continue a use tax exemption, notwithstanding its suspension under the H.D. 1 if the subject property, services, or contracting cannot be legally taxed under the United States Constitution or other law. The language also authorizes the Director to apportion the gross value of services or contracting for the purpose of determining the value subject to the general excise tax. These provisions are set forth in section 238-A(c) and are based on section 238-3(a), HRS;
- (3) Language has been added specifying that the imposition of the one percent tax shall not apply to gross income, gross proceeds, or value of property, services, or contracting from binding written contracts entered into prior to July 1, 2010, which do not permit the passing on of increased rates of taxes. These provisions are set forth in sections 237-A(d) and 238-A(e), HRS;
- (4) Language is added requiring the Director to require persons benefiting from exclusions and exemptions from the general excise or use tax to report information on the exclusions or exemptions. These provisions are set forth in sections 237-B and 238-B; and
- (5) The suspension of a credit and exemption under the public service company tax has not been included in the H.D. 1.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2402, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1121-10 Finance on S.B. No. 2400

The purpose of this bill as received by your Committee is to correct a grammatical error in the title of section 37-46, Hawaii Revised Statutes, correctly referencing the general fund with regard to the transfer of non-general funds to the general fund.

Your Committee circulated a proposed draft of this bill that replaced the substance of S.B. No. 2400, S.D. 1, with language that makes an emergency appropriation for the Office of Elections to support the 2010 special and regular elections. Specifically, the proposed draft appropriates:

- (1) \$250,000 to support the functions of the Office of Elections and the Election Commission in the 2010 regular elections; and
- (2) \$140,000 for the Office of Elections to reimburse the City and County of Honolulu for the 2010 special election.

The Office of Elections and Department of Budget and Finance supported the proposed draft of this bill.

Your Committee has amended this bill by adopting the language in the proposed draft circulated prior to the public hearing.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2400, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2400, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran, Wooley and Ward.

SCRep. 1122-10 Judiciary on S.B. No. 358

The purpose of this bill is to, among other things, prohibit any person or government entity from:

- (1) Seizing or confiscating a firearm or ammunition from a person with a lawful permit and carrying and using the firearm lawfully; or
- (2) Suspending or revoking a lawfully acquired and maintained firearm permit or license,

during any civil defense emergency or time of national crisis.

The Hawaii Rifle Association, Kauai Hunting Association, and numerous concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Reinstating language regarding the governor's authority to provide for compulsory RHo blood typing for females of a child bearing age or younger and other blood typing that is approved by a competent medical authority during a civil defense emergency;
- (2) Deleting language providing an exception to the seizure of firearms from a licensed firearm dealer during civil defense emergencies to clarify that the prohibition on the seizure and confiscation of firearms during these emergencies only applies to individuals and not to firearm dealers; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 358, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 358, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1123-10 Judiciary on S.B. No. 2409

The purpose of this bill is to reduce hardships on holders of Marine Life Conservation District permits caused by changes in permit conditions by requiring the Department of Land and Natural Resources (DLNR) to provide 90 days written notice of any change except where immediate modifications are necessary to protect or preserve the conservation district.

The Ocean Tourism Coalition supported this bill. DLNR opposed this measure.

Your Committee finds that discussion should continue on the 90 day notice period for permit condition modifications.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2409, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2409, H.D. 3.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1124-10 Judiciary on S.B. No. 2565

The purpose of this bill is to extend the deadline for Hawaii's Civil Rights Commission (HCRC) to complete its rulemaking process to allow HCRC to conform state law protections against disability discrimination to the final federal Equal Employment Opportunities Commission (EEOC) administrative regulation guidelines.

HCRC, Disability and Communication Access Board, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Increasing the HCRC extension for completing its rulemaking process to 12 months after the EEOC publishes final rules;
- (2) Establishing factors that must be considered by HCRC when determining whether to approve or deny a request that a witness' identity or statement be kept confidential;
- (3) Defining the term "confidential witness statement"; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2565, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2565, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1125-10 Judiciary on S.B. No. 2701

The purpose of this bill is to protect consumers by updating the laws regulating prepaid legal service plans by, among other things:

- (1) Adding the definitions of "accumulation or payment of money", "accumulates funds", and "commissioner";
- (2) Deleting the exemption for insurers regulated under Chapters 431 and 432, Hawaii Revised Statutes;
- (3) Clarifying filing requirements;
- (4) Requiring the plan administrator to act as a trustee for funds collected by the plan and to maintain a trust account; and

- (5) Allowing the Insurance Commissioner to deny, suspend, revoke, or fine any plan that fails to comply with the law.

The Department of Commerce and Consumer Affairs testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2701, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2701, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1126-10 Judiciary on S.B. No. 2726

The purpose of this bill is to amend the law governing time frames for fitness restoration for persons charged with non-violent petty misdemeanors or non-violent misdemeanors and deemed unfit to stand trial. Specifically, this bill establishes for unfit persons committed to be placed in an appropriate institution for detention, care, and treatment:

- (1) A 60-day maximum commitment for defendants charged with non-violent petty misdemeanors;
- (2) A 120-day maximum commitment for defendants charged with non-violent misdemeanors; and
- (3) Procedures for release and dismissal of charges or involuntary civil commitment, as necessary.

The Department of Health and Office of the Public Defender testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the 60-day maximum commitment and release provisions apply to defendants charged with petty misdemeanors other than offenses under Chapter 707, Hawaii Revised Statutes (HRS);
- (2) Clarifying that the 120-day maximum commitment and release provisions apply to defendants charged with misdemeanors other than offenses under Chapter 707, HRS;
- (3) Specifying that if the court finds that a defendant requires involuntary civil commitment upon dismissal of the charge for which the defendant was committed for a limited period, the court shall refer the matter for involuntary civil commitment proceedings pursuant to Chapter 334, HRS;
- (4) Specifying that if the court finds that a defendant requires involuntary civil commitment upon dismissal of the charge for which the defendant was released for a limited period, the court shall refer the matter for involuntary civil commitment proceedings pursuant to Chapter 334, HRS; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2726, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2726, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1127-10 Judiciary on S.B. No. 2883

The purpose of this bill is to protect employees by making it an unlawful practice for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee because the employee legitimately uses accrued and available sick leave.

The International Brotherhood of Electrical Workers (IBEW), IBEW Local Union 1357; Hawaii State AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations; Department of Human Resources Development; Office of Collective Bargaining; Judiciary; Department of Human Resources of the City and County of Honolulu; Society for Human Resource Management–Hawaii Chapter; The Chamber of Commerce of Hawaii; Hawaiian Telcom; National Federation of Independent Business; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Limited; Young Brothers, Limited; and Hawaii Credit Union League opposed this measure. The General Contractors Association of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Specifying that the legitimate use of accrued and available sick leave shall be:
 - (A) Limited to negotiated sick leave; and
 - (B) Used in accordance with the employer's attendant and negotiated sick leave policies, except for the abuse of sick leave;

- (2) Stipulating that this prohibition does not apply to instances where an employee is unable to fulfill the essential job functions or requirements of the employee's position because of the use of sick leave;
- (3) Limiting the provisions to employers who have:
 - (A) A collective bargaining agreement with their employees; and
 - (B) One hundred or more employees;
 and
- (4) Changing the effective date to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2883, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2883, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Luke, McKelvey, Mizuno and Morita.

SCRep. 1128-10 Consumer Protection & Commerce on S.B. No. 2325

The purpose of this bill is to ensure that electrical, plumbing, and elevator work is performed competently, by:

- (1) Adding elevator mechanic work to the requirement that at least 50 percent of persons performing electrical or plumbing work on a job site be licensed; and
- (2) Providing that all licensed electricians, plumbers and elevator mechanics must visibly display their license while on the job site, and that those not displaying their license will not be counted toward the 50 percent requirement.

The International Brotherhood of Electrical Workers Local Union 1186, Hawaii Electricians Training Fund, ThyssenKrupp Elevator, and Otis Elevator Company supported this bill. The Contractors License Board supported the intent of this bill. The Department of Labor and Industrial Relations opposed this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this bill by removing any references to elevator work and elevator mechanics. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2325, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2325, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Ito, Mizuno and Thielen.

SCRep. 1129-10 Consumer Protection & Commerce on S.B. No. 2390

The purpose of this bill is to broaden opportunities to fulfill the practical experience requirements for a pharmacist license by:

- (1) Allowing experience gained in the District of Columbia, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa to count toward licensure;
- (2) Expanding the types of service and experience that count toward licensure;
- (3) Allowing practical experience completed under a licensed pharmacist to count toward licensure; and
- (4) Removing the requirement that the service and experience required for licensure take place in a pharmacy.

This measure also provides a pharmacist with the authority to administer immunizations to children at least nine years of age with parental consent and upon the Governor's determination of a public health necessity.

The University of Hawaii System, Longs Drugs, PHI Pharmacies, and several concerned individuals testified in support of this bill. The National Association of Chain Drug Stores supported this measure with amendments. The Department of Health opposed this bill. The Department of the Attorney General, Board of Pharmacy, Kaiser Permanente Hawaii, and Walgreen Co., provided comments.

There is currently a severe shortage of qualified pharmacists in several United States territories in the Pacific Basin. Your Committee finds that broadening the opportunities to fulfill the practical experience requirements for pharmacist licensure may help alleviate this shortage by encouraging students from these areas to enroll at the College of Pharmacy at UH Hilo while also allowing them to return for advanced pharmacy practice experience rotations and improve the level of healthcare in their home territories.

Your Committee notes, however, that part II of the bill may fall outside of the scope of the bill's title, which may jeopardize its passage.

Accordingly, your Committee has amended this bill by:

- (1) Deleting part II of the bill, including provisions that provide a pharmacist with the authority to administer immunizations to children at least nine years of age with parental consent and upon the Governor's determination of a public health necessity; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2390, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2390, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Ito, Mizuno and Thielen.

SCRep. 1130-10 Consumer Protection & Commerce on S.B. No. 2770

The purpose of this bill is to enhance the ability of remote dispensing pharmacies (RDP) to serve residents by expanding the types of drugs that may be remotely dispensed.

The Board of Pharmacy, Kaiser Permanente Hawaii, and Hawaii Pacific Health testified in support of this bill with amendments.

Act 96, Session Laws of Hawaii (SLH) 2009, amended the remote dispensing pharmacy law to improve access to RDPs in underserved or remote areas and health maintenance organization facilities. However, implementation of this law has been problematic because only drugs acquired under the federal 340B program, available only to people who do not have insurance, may be remotely dispensed. By removing this restriction on the types of drugs that may be remotely dispensed, this bill seeks to improve the availability of medication for patients regardless of whether they have insurance.

Your Committee has amended this bill by:

- (1) Restoring in the statutory definition of RDP, the provision allowing the use of RDPs in institutional facilities other than a federally qualified health center;
- (2) Making permanent the definitions of "institutional facility" and "unit of use container" in the Pharmacists and Pharmacy Law;
- (3) Making this bill effective upon its approval, except that the provisions that make the definitions of "institutional facility" and "unit of use container" permanent are to take effect on June 30, 2010, to preclude their repeal on July 1, 2010, pursuant to Act 190, SLH 2004; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2770, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2770, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Ito, Mizuno and Thielen.

SCRep. 1131-10 Consumer Protection & Commerce on S.B. No. 2811

The purpose of this bill is to improve the regulation of prescription drugs by requiring all pharmacies and remote dispensing pharmacies to have the capacity to maintain prescription records electronically and to accept and transmit prescription information electronically or by facsimile.

The Board of Pharmacy and Longs Drugs opposed this bill. The Department of Health and Walgreen Co. provided comments.

Your Committee has amended this bill by:

- (1) Inserting provisions that provide a registered pharmacist with the authority to administer immunizations to children at least nine years of age but less than eighteen years of age with parental consent and upon the Governor's determination of a public health necessity; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2811, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2811, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Thielen.

SCRep. 1132-10 Consumer Protection & Commerce on S.B. No. 2371

The purpose of this bill is to exempt limited benefit health insurance policies (Limited Policies) from provisions of the Insurance Code covering accident and health or sickness insurance contracts enacted after July 1, 2010, unless the provisions expressly apply.

The American Family Life Assurance Company of Columbus and American Council of Life Insurers testified in support of this bill. The Department of Commerce and Consumer Affairs opposed this measure.

Limited Policies allow consumers to buy additional coverage for certain defined risks that may not be adequately covered by a primary health insurance policy (Primary Policies). Benefits under Limited Policies are paid directly to the insured rather than as reimbursements to health providers.

Because Limited Policies generally supplement coverage under Primary Policies, it can be inappropriate to impose requirements upon both types of policies in the same way. For example, a law requiring Limited Policies to include coverage for certain health treatments may be duplicative and wasteful if a consumer's Primary Policy is already required to cover the same treatments. To address this issue, this bill creates a general exception for Limited Policies so that prospective laws regulating health insurance policies apply to Limited Policies only if these laws specifically state that they apply to Limited Policies.

However, there are concerns that this bill as written may cause confusion as to the applicability of accident and health or sickness insurance laws, in that this measure would require looking at the enactment date of a statute to determine whether the statute applies to Limited Policies. This would make the Insurance Code more complex and confuse insurers, consumers, and regulators.

Accordingly, your Committee has amended this bill by recasting the exemption for Limited Policies as a general exemption from the Insurance Code provisions on accident and health or sickness insurance, with certain exceptions for statutes that are intended to apply to Limited Policies. As amended, the mechanics of this bill no longer rely upon statutory enactment dates.

Your Committee has also amended the effective date of this bill to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2371, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2371, S.D. 2, H.D. 1.

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

SCRep. 1133-10 Hawaiian Affairs on S.B. No. 633

The purpose of this bill is to ensure that homestead farmers using the Molokai Irrigation System are adequately represented on the Molokai Irrigation System Water Users Advisory Board (Board) by increasing their representation on the Board. This bill also establishes qualifications for all Board members and quorum requirements, and clarifies that travel expenses are included in the expenses incurred by Board members that may be reimbursed.

The Department of Agriculture and a concerned individual testified in support of this bill. The Hawaiian Homes Commission, Department of Hawaiian Home Lands (DHHL), and a concerned individual provided comments.

This bill adds to the membership of the Board, a kupuna homestead farmer user whose nomination has been recommended by DHHL's commissioner for Molokai and approved for submittal to the governor by majority vote of all current advisory board homesteader-members. However, your Committee finds that limiting the homestead farmer member to a kupuna who has an active general excise tax license limits the eligibility of otherwise qualifying homestead farmer users to a mere two individuals. To ensure the broadest net is cast for representation of homestead farmer users on the Board, your Committee has amended this bill by removing the qualification that the homestead farmer user be a kupuna.

Furthermore, your Committee finds that Board decisions affect all of the residents of Molokai, and therefore, Board membership should be determined by the Molokai community. The association Moku Puni O Molokai is made up of all the Hawaiian Homestead Associations on the island of Molokai. Accordingly, your Committee has further amended this bill by providing that Moku Puni O Molokai recommend the homestead farmer user member to be nominated to the Board, as determined pursuant to a process established by that organization, rather than the DHHL's commissioner for Molokai.

This bill has been further amended by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 633, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 633, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 1134-10 Water, Land, & Ocean Resources on S.B. No. 2646

The purpose of this bill is to recognize the cultural and historical significance of Hawaii's surfing sites by designating certain specified areas as Hawaii Surfing Reserves.

Bishop Museum, the State Museum of Natural and Cultural History; Hawaii Chapters of the Surfrider Foundation; Surfing Magazine; Surf-First.org; Historic Hawaii Foundation; Surfers' Environmental Alliance; The Surfer's Journal; and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and Save Our Surf opposed this measure.

Your Committee has amended this bill by:

- (1) Making it effective on July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2646, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2646, S.D. 1, H.D. 2.

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

SCRep. 1135-10 Judiciary on S.B. No. 2020

The purpose of this bill is to help 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 by extending the sunset date for Act 189, Session Laws of Hawaii 2009 (Act 189), to July 1, 2014.

Specifically, Act 189 clarifies provisions in long-term commercial and industrial ground leases without substantial reduction in the economic benefit to the owners or impact on their ownership of the land, without impairing their lease contracts, and without the taking of any property rights without due process of law.

Citizens for Fair Valuation; Grace Pacific Corporation; GP Roadway Solutions; Servco Pacific Inc.; Big Rock Manufacturers, Inc.; Inter-Island Solar Supply; A-1 A-Lectrician, Inc.; Central Park Community Association; Plywood Hawaii; and several concerned individuals supported this bill. The Land Use Research Foundation of Hawaii, HRPT Properties Trust, and Hawaii Association of REALTORS opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the sunset extension from 2014 to 2011;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2020, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2020, H.D. 2.

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

SCRep. 1136-10 Judiciary on S.B. No. 2817

The purpose of this bill is to clarify that homeowners associations may not impose restrictions or conditions that:

- (1) Render a solar energy device more than 25 percent less effective;
- (2) Increase the cost of installation, maintenance, and removal of the device by more than 15 percent; or
- (3) Require an encumbrance on title.

This bill also requires homeowners associations to adopt rules for the placement of solar energy devices by December 31, 2010.

Hawaii Solar Energy Association, Blue Planet Foundation, and Sierra Club-Hawaii Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Extending the deadline for homeowners associations to adopt rules to December 31, 2011; and
- (2) Clarifying that a private entity shall not require an encumbrance on title relating to liability.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2817, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2817, S.D. 1, H.D. 1.

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

SCRep. 1137-10 Judiciary on S.B. No. 107

The purpose of this bill is to improve the overall efficiency of the Administrative Driver's License Revocation Office by allowing the Administrative Director of the Courts to permit administrative license revocation hearings to be held:

- (1) With the consent of the respondent, in a county other than the county of arrest; and
- (2) By telephonic, video, or other electronic means.

The Judiciary testified in support of this bill with amendments. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Limiting the alternative means to hold a hearing to video with the consent of the respondent;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion;
- (3) Repealing the provisions of this bill on January 1, 2012; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 107, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 107, H.D. 2.

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

SCRep. 1138-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2491

The purpose of this bill is to ensure greater access to health care by:

- (1) Providing that telemedicine may be included within the defined scope of the practice of medicine; and
- (2) Requiring insurers offering medical malpractice insurance coverage to also cover telemedicine services.

The American Cancer Society and the Hawaii State Rural Health Association supported this bill. The Hawaii Medical Service Association supported the intent of this measure. The Hawaii Medical Association and The Doctors Company opposed this bill. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2491, S.D. 2, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Ito, Mizuno and Morita.

SCRep. 1139-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2597

The purpose of this bill is to ensure the efficient functioning of the Hawaii Employers' Mutual Insurance Company (HEMIC) by, among other things:

- (1) Allowing members of HEMIC's Board of Directors to serve more than two nonconsecutive terms;
- (2) Separating the titles and functions of President and Chief Executive Officer of HEMIC; and
- (3) Ensuring that HEMIC is subject to the same liability standards as all other workers' compensation insurers.

The Department of Commerce and Consumer Affairs, HEMIC, Hawaii Injured Worker's Alliance, and a concerned individual testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2597, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Ito, Mizuno and Morita.

SCRep. 1140-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2607

The purpose of this bill is to protect consumers and providers of activities and attractions that are sold by activity desks by, among other things:

- (1) Requiring an activity desk to maintain and make available for inspection, books and records, including copies of bank statements and wire or electronic transaction documents relating to client trust accounts for at least two years;
- (2) Providing that the activity desk registration number must be included on advertising and promotional material;
- (3) Requiring an activity desk to obtain full payment for activities prior to or at the time reservations are booked or placed with the activity provider or within three business days thereafter, with certain exceptions;
- (4) Providing that the trust account containing consumer deposits shall also be for the benefit of the activity provider, and the activity desk shall be the trustee of the trust account; and

- (5) Securing consumer deposits held by an activities desk who has not established a trust account, by increasing the maximum amount of the bond or irrevocable letter of credit required to be posted or obtained by the activities desk from \$100,000 to \$250,000, and maintaining the minimum amount at \$50,000.

The Activities & Attractions Association of Hawaii, Aloha Nui Loa Tours, Inc., dba Hike Maui, and Maui Classic Charters, Inc. testified in support of this bill. The Department of Commerce and Consumer Affairs' (DCCA) Regulated Industries Complaints Office and DCCA's Professional and Vocational Licensing Division provided comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2607, S.D. 2, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Ito, Mizuno and Morita.

SCRep. 1141-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2545

The purpose of this bill is to amend the law on intoxicating liquor by, among other things:

- (1) Restricting liquor consumption on unlicensed bring-your-own-beverage (BYOB) premises to 6:00 a.m. to 12:00 midnight;
- (2) Establishing a class 17 liquor license for BYOB establishments operating after 12:00 midnight until 2:00 a.m.;
- (3) Increasing the 10,000-barrel limit on class 14 brewpub licensee on-premises liquor manufacturing to 30,000 barrels;
- (4) Allowing a patron to remove from licensed BYOB premises, any portion of wine brought onto the premises by the patron; and
- (5) Requiring licensed BYOB establishments to maintain liquor liability insurance coverage.

Maui Brewing Co. and several concerned individuals testified in support of this bill. The Administrators of the liquor departments for the counties of Hawaii, Kauai, Maui, and the City and County of Honolulu opposed this measure. Numerous concerned individuals provided comments.

Your Committees have amended this bill by:

- (1) Deleting all provisions relating to BYOB establishments; and
- (2) Allowing class 14 brewpub licensees to:
 - (A) Directly sell liquor manufactured on the premises to other brewpub licensees and to consumers; and
 - (B) Conduct activities at one location other than the licensee's premises, so long as the manufacturing takes place in Hawaii and the other location is properly licensed under the same ownership.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2545, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Mizuno and Morita.

SCRep. 1142-10 Consumer Protection & Commerce/Judiciary on S.B. No. 2775

The purpose of this bill is to improve the publicity rights trade name law by, among other things:

- (1) Renaming "publicity rights trade name" as "publicity rights name" to distinguish it from trade names and trademarks;
- (2) Specifying procedures for registering a publicity rights name; and
- (3) Limiting the term of registration to five years while permitting subsequent five-year renewals.

The Department of Commerce and Consumer Affairs testified in support of this bill.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2775, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2775, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Herkes, Ito, Mizuno, Morita and B. Oshiro.

SCRep. 1143-10 Finance on S.B. No. 696

The purpose of this bill is to address the problem of coqui frog infestations by authorizing the counties to use a portion of their transient accommodations tax revenues toward coqui frog eradication efforts.

The Department of Agriculture and Hawaii Audubon Society testified in support of this bill. The Department of Land and Natural Resources offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 696, S.D. 1, H.D. 1.

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

SCRep. 1144-10 Finance on S.B. No. 2523

The purpose of this bill is to make various changes to agricultural inspection, quarantine, and eradication laws by:

- (1) Imposing fines for failure to timely pay, bill, or remit the Inspection, Quarantine, and Eradication Service Fee (Service Fee) and waiving Service Fees accrued prior to the effective date of this bill that are exempted by the bill;
- (2) Adding definitions of "aggregate bulk freight", "cement bulk freight", "coal bulk freight", and "liquid bulk freight";
- (3) Clarifying and expanding the uses of the Pest Inspection, Quarantine, and Eradication Fund (Fund);
- (4) Exempting certain aggregate, cement, coal, and liquid bulk freight from the Service Fee;
- (5) Specifying that fees charged for certain inspections and certification be deposited into the Fund;
- (6) Repealing the Permit Revolving Fund and Microorganism Import Certification Revolving Fund and transferring those moneys into the Fund;
- (7) Establishing a fee schedule for Department of Agriculture (DOA) inspections and certification to be implemented on October 1, 2010, if DOA has not adopted or amended existing rules regarding the Service Fee by September 30, 2010; and
- (8) Appropriating funds from the Fund for DOA to use for purposes of the Fund.

DOA; the Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; Matson Navigation Company, Inc.; Monsanto Hawaii; Hawaii Crop Improvement Association; the Nature Conservancy of Hawaii; Hawaiian Cement; and Grace Pacific Corporation supported this bill. The Department of the Attorney General, Conservation Council for Hawaii, and AES Hawaii, Inc., provided comments.

Your Committee has amended this bill by:

- (1) Deleting language stipulating that the repeal of the Permit Revolving Fund and Microorganism Import Certification Revolving Fund shall not rescind any fees authorized or imposed under those sections that would have been deposited into those funds;
- (2) Deleting language stipulating that from July 1, 2010, the fees under (1) above shall be deposited into the pest inspection, quarantine, and eradication fund;
- (3) Clarifying the manner in which inspections during regular work hours conducted away from the port or department office are to be conducted to be subject to the inspection fee;
- (4) Clarifying that certain fees are for services performed by, or the use of facilities operated by, DOA's Plant Quarantine Branch;
- (5) Deleting language waiving all inspection, quarantine, and eradication fees on aggregate bulk freight, cement bulk freight, coal bulk freight, and liquid bulk freight that accrue prior to the effective date of this bill;
- (6) Deleting the provision appropriating an unspecified sum out of the Pest Inspection, Quarantine, and Eradication Fund;
- (7) Making the exemption from inspection, quarantine, and eradication service fees and charges for aggregate bulk freight, cement bulk freight, coal bulk freight, and liquid bulk freight retroactive to July 1, 2007; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2523, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2523, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1145-10 Finance on S.B. No. 2527

The purpose of this bill is to allow the agricultural commodities inspection, certification, weighing, grading, and licensing activities of the Department of Agriculture (DOA) to be funded exclusively through fees, penalties, and other moneys collected by DOA under these programs by, among other things:

- (1) Broadening the definition of "agricultural commodity" to include milk or meat which has been produced in the state, and certain animals;
- (2) Establishing the Agricultural Inspection and Certification Special Fund (Special Fund) to be used by DOA for inspection, certification, weighing, or grading of agricultural commodities and related licensing;
- (3) Requiring all fees, charges, and penalties collected by DOA for these activities to be deposited into the Special Fund;
- (4) Repealing the Certification Services Revolving Fund and transferring its moneys and unpaid obligations as of June 30, 2010, to the Special Fund;
- (5) Allowing DOA to enter into agreements with government and private agencies to hire inspectors to provide certification and audit services;
- (6) Requiring DOA to adopt rules to impose or increase fees sufficient to pay the cost of agricultural inspection and certification; and
- (7) Appropriating general funds to the Special Fund to be used for agricultural inspection and certification of various agricultural commodities until fees and other moneys collected are sufficient to fund these activities.

DOA, the Hawaii Cattlemen's Council, Ka'u Coffee Growers Cooperative, Monsanto Hawaii, Ka Lei Eggs, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Asagi Hatchery, Inc., and several concerned individuals supported this bill. The Department of Budget and Finance and Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO provided comments.

Your Committee has amended this bill by designating its inspection and certification provisions as part I, adding the substance of H.B. No. 2293, H.D. 1 as part II, and adding the substance of H.B. No. 2291, H.D. 2, as part III. As amended:

- (1) Part II establishes a DOA Staffing Special Fund into which a portion of payments received under the Agricultural Loan Program is to be deposited to pay DOA personnel salary, fringe benefits, and operating costs previously paid from the general fund; and
- (2) Part III establishes a Weights and Measures Special Fund, requires DOA to adopt or increase fees by rule sufficient to fund the Measurement Standards Program, and sets a default fee for the program in the event new fees are not adopted.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2527, S.D. 2, H.D. 2.

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

SCRep. 1146-10 Finance on S.B. No. 2399

The purpose of this bill is to regulate Mixed Martial Arts (MMA) contests by:

- (1) Requiring the Department of Commerce and Consumer Affairs (DCCA) to regulate amateur MMA;
- (2) Allowing DCCA to delegate the control and supervision of amateur MMA contests to a recognized national amateur MMA association;
- (3) Defining "amateur mixed martial arts contestant" and "professional mixed martial arts contestant";
- (4) Clarifying that amateur MMA contests shall not offer monetary compensation;
- (5) Clarifying that amateur MMA contestants must be at least 18 years of age;
- (6) Changing the event fees charged to a licensed promoter;
- (7) Requiring individuals to be at least 18 years of age to apply for a license as a professional MMA contestant;

- (8) Exempting amateur MMA contestants from the licensing requirements;
- (9) Requiring amateur MMA contestants to pass a physical examination conducted by a licensed physician prior to engaging in an MMA contest; and
- (10) Repealing additional surcharge fees charged to promoters during their license renewal period for deposit into the Compliance Resolution Fund.

DCCA and two concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2399, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1147-10 Finance on S.B. No. 2501

The purpose of this bill is to promote high standards of quality in public accountancy work by requiring public accountancy firms to undergo peer review of attest work as a condition of permits to practice.

The Board of Public Accountancy; Hawaii Association of Public Accountants; Niwao & Roberts, Certified Public Accountants, a Professional Corporation; and numerous concerned individuals supported this bill. The Hawaii Bankers Association, Board of Directors of the Hawaii Society of Certified Public Accountants, The Accountants Coalition and several concerned individuals provided comments.

It is your Committee's intent that when adopting rules pursuant to section 7 of this bill, the State Board of Public Accountancy consider the circumstances under which audit engagements for Hawaii public companies which are subject to oversight by the Public Company Accounting Oversight Board may be excluded from peer review under section 5 of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2501, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1148-10 Finance on S.B. No. 2809

The purpose of this bill is to ensure the effective regulation of public utilities by:

- (1) Appropriating funds sufficient for the operations and staffing of the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (Consumer Advocate) of the Department of Commerce and Consumer Affairs;
- (2) Requiring other state and county agencies to assist PUC and the Consumer Advocate to accomplish the objectives of PUC and the Consumer Advocate and to complete the reorganization that was begun by Acts 177 and 183, Session Laws of Hawaii 2007; and
- (3) Requiring the Department of Human Resources Development (DHRD) to work cooperatively with PUC and the Consumer Advocate to establish and amend job descriptions in a timely manner.

The Consumer Advocate; PUC; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Ltd.; Hawaii Energy Policy Forum; Hawaii Solar Energy Association; Blue Planet Foundation; and Hawaii Transportation Association testified in support of this bill. DHRD offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2809, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1149-10 Finance on S.B. No. 2842

The purpose of this bill is to provide the State with a source of revenue to help stabilize the current budget crisis and to fuel future economic growth by offering incentives to individuals with high net worth throughout the world to transfer a portion of their liquid net worth into Hawaii for asset and trust management. Specifically, this measure creates the Permitted Transfers in Trust Act to govern transfers of currency, bonds, and securities from a transferor to a trustee by means of an irrevocable trust instrument.

The Trust Division of Bank of Hawaii and First Hawaiian Bank supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2842, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1150-10 Finance on S.B. No. 1230

The purpose of this bill is to impose a new real property asset acquisition tax on transfers of any ownership interest in an entity that holds real property located in Hawaii with a certain minimum fair market value.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 that replaces the substance of this bill with provisions that:

- (1) Add a definition for large cigars;
- (2) Amend the definitions of little cigars and tobacco products;
- (3) Exclude large cigars from the excise tax of 70 percent on the wholesale price of each article or item of tobacco products paid by wholesalers and dealers; and
- (4) Limit the excise tax of 50 percent on the wholesale price of each cigar paid by wholesalers and dealers to large cigars.

Altria Client Service Inc. supported this bill. The Tax Foundation of Hawaii, Coalition for a Tobacco-Free Hawaii, American Cancer Society, and RAI Services Company submitted comments.

Upon consideration, your Committee has amended this bill by replacing its substance with that of the proposed H.D. 1.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1230, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1230, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1151-10 Finance on S.B. No. 2165

The purpose of this bill is to professionalize the guard industry and provide for increased competency by requiring guards to register with the Board of Private Detectives and Guards (Board) and meet specified registration, instruction, and training requirements prior to acting as a guard.

Retail Merchants of Hawaii opposed this bill. The National Armored Car Association, Inc.; the Board; and a concerned individual provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2165, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1152-10 Finance on S.B. No. 2220

The purpose of this bill is to improve enforcement of contracting laws by establishing a Construction Site Inspection Task Force (Task Force) consisting of representatives from the Department of Commerce and Consumer Affairs (DCCA) and each county permitting department to strengthen enforcement of contracting laws, including authorizing the Task Force to investigate and inspect construction sites for unlicensed contractors.

The General Contractors Association of Hawaii; Hawaii Building and Construction Trades Council, AFL-CIO; and Building Industry Association of Hawaii testified in support of this bill. DCCA, the Contractors License Board, the Hawaii Laborers' Union, and a concerned individual provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2220, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 2.

Signed by all members of the Committee.

SCRep. 1153-10 Finance on S.B. No. 2603

The purpose of this bill is to facilitate the effective regulation of mortgage loan originators under the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), Chapter 454F, Hawaii Revised Statutes, by:

- (1) Making amendments to the application, licensing, and regulatory requirements of the SAFE Act;
- (2) Establishing the Mortgage Loan Recovery Fund to protect consumers harmed by violations of the SAFE Act;
- (3) Including mortgage loan originator companies under the regulation of the SAFE Act; and
- (4) Appropriating funds to hire staff within the Department of Commerce and Consumer Affairs' (DCCA) Division of Financial Institutions to effectuate the purposes of the SAFE Act.

The Hawaii Association of Mortgage Brokers supported this bill. DCCA, the Department of Budget and Finance, and Hawaii Financial Services Association provided comments.

Your Committee has amended this bill by:

- (1) Clarifying what entities must register with the Nationwide Mortgage Licensing System under the SAFE Act;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2603, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2603, S.D. 2, H.D. 2.

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

SCRep. 1154-10 Finance on S.B. No. 2068

The purpose of this bill is to enable Hawaii's children to succeed in Kindergarten and establishing the basis for their subsequent schooling by requiring the Department of Education and the Early Learning Council (ELC) to work together on the development and submission of a plan to the Legislature for the integration of the cohort of children who would otherwise attend junior kindergarten into the early learning system.

ELC, the Hawaii Association of Independent Schools, and Good Beginnings Alliance testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2068, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1155-10 Finance on S.B. No. 2117

The purpose of this bill is to repeal the School-Level Minor Repair and Maintenance Account and reporting requirements and instead require the Department of Education (DOE) to annually report to the Director of Finance and Legislature the amount of funds in the School-Level Minor Repair and Maintenance Special Fund that will carry over to the next fiscal year.

DOE testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2117, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1156-10 Finance on S.B. No. 2120

The purpose of this bill is to recruit visionary and effective school leaders by:

- (1) Requiring the Department of Education (DOE) to establish alternative routes to certification for principals and vice-principals that meet the criteria set by the United States Department of Education for state applications for Race to the Top fund allocations under the federal American Recovery and Reinvestment Act of 2009; and
- (2) Removing DOE's authority to waive the certification and school-level experience requirements for vice-principal candidates on a case-by-case basis.

DOE and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO commented on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2120, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1157-10 Finance on S.B. No. 2122

The purpose of this bill is to require the Department of Education (DOE), University of Hawaii (UH), Department of Labor and Industrial Relations, and other state agencies as appropriate to share data to support research that will improve the educational and workforce outcomes and meet the longitudinal data requirements of the federal American Recovery and Reinvestment Act of 2009.

DOE, UH, the Office of Hawaiian Affairs, and Hawaii P-20 Partnerships for Education testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2122, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1158-10 Finance on S.B. No. 2434

The purpose of this bill is to provide the Board of Education (BOE) with more flexibility to establish the salaries of the Superintendent of Education and State Librarian by adjusting the salary caps to:

- (1) For the Superintendent of Education, 150 percent of the highest salary for a principal based on the salary schedule included in the most recent collective bargaining agreement; and
- (2) For the State Librarian, 150 percent of the salary of the highest-paid DOE librarian.

The Governor's Administration, BOE, and Hawaii State Public Library System provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2434, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1159-10 Finance on S.B. No. 2589

The purpose of this bill is to require the Department of Education (DOE) to give reasonable consideration to making all or portions of school facilities it is considering closing available for occupancy and use by a charter school.

The Office of Hawaiian Affairs and several concerned individuals testified in support of this bill. The Governor's Administration, DOE, Charter School Administrative Office, Hawaii Charter Schools Network, Charter School Review Panel, Kanu O Ka'a'ina New Century Public Charter School, Ho'okako'o Corporation, and several concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2589, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1160-10 Finance on S.B. No. 2115

The purpose of this bill is to:

- (1) Require the Department of Education (DOE) to conduct proposed payment preaudits only on payments of \$10,000 or more;
- (2) Require the University of Hawaii (UH) and DOE to preaudit a sample of at least five percent of proposed payments of less than \$10,000; and
- (3) Extend the fiscal autonomy previously granted to UH and DOE until June 30, 2020.

DOE testified in support of this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2115, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2115, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1161-10 Finance on S.B. No. 2172

The purpose of this bill is to assist Kaimuki Christian Church (KCC) with financing the planning, construction, improvement, and equipping of its educational facilities by authorizing the issuance of \$20,000,000 in special purpose revenue bonds.

The Hawaii Association of Independent Schools, KCC, Kaimuki Business and Professional Association, and numerous concerned individuals testified in support of this bill. A concerned individual offered comments.

Your Committee has amended this bill by changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2172, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2172, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1162-10 Finance on S.B. No. 2256

The purpose of this bill is to provide the Department of Education (DOE) with a source of revenue to address the budget reductions and restrictions affecting public education by authorizing DOE to adopt rules governing traffic and parking conditions on roadways and other areas under its jurisdiction, including rules for the assessment and collection of parking fees.

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

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2256, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2256, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1163-10 Finance on S.B. No. 2257

The purpose of this bill is to improve operational efficiency in government using technological advances by enabling the Department of Accounting and General Services, University of Hawaii, and Department of Education (DOE) to accept electronically-mailed warrant vouchers, bills of materials, and other supporting documents as original documents.

DOE and the High Technology Development Corporation testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2257, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2257, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1164-10 Finance on S.B. No. 2452

The purpose of this bill is to ensure that students have a safe, efficient means to travel to school. This bill requires the Department of Education (DOE), to the extent that funds are available, to provide or subsidize the cost of suitable transportation to and from public schools for students in kindergarten to grade 12 and in special education classes, except for students who attend public schools in the Honolulu (third) departmental school district.

The Hawaii School Bus Association and Gomes School Bus Service, Ltd., testified in support of this bill. DOE and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Authorizing, rather than mandating, DOE to provide or subsidize the cost of suitable school transportation;

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2452, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2452, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1165-10 Finance on S.B. No. 2570

The purpose of this bill is to improve the accountability of Hawaii's public education system by proposing a constitutional amendment to Article X, Section 2, of the Hawaii Constitution, to require the members of the Board of Education (BOE) to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor, as provided by law.

The Hawaii Association of Independent Schools, Hawaii Business Roundtable, Hawaii's Children First, Outrigger Hotels, and several concerned individuals testified in support of this bill. The Governor's Administration, BOE, Hawaii State Teachers Association, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Including a constitutional provision for the transition from an elected to an appointed BOE as provided by law;
- (2) Accordingly, changing the question to be printed on the ballot to read, "Shall the members of the board of education be nominated and, by and with the advice and consent of the senate, appointed by the governor, as provided by law, with a period of transition as provided by law?"; and
- (3) Deleting the defective date of July 1, 2020, to require the bill to take effect upon compliance with Article XVII, Section 3, of the Hawaii Constitution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2570, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2570, S.D. 1, H.D. 2.

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

SCRep. 1166-10 Finance on S.B. No. 2571

The purpose of this bill is to improve the accountability of Hawaii's public education system by requiring the members of the Board of Education (BOE) to be nominated and, with the advice and consent of the Senate, appointed by the Governor from lists of qualified candidates presented to the Governor by the Board of Education Selection Advisory Council (Council).

The Hawaii Association of Independent Schools, Outrigger Hotels, Hawaii's Children First, Hawaii Business Roundtable, and several concerned individuals testified in support of this bill. The Governor's Administration and BOE opposed this measure. The Hawaii State Teachers Association and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that each BOE member serving on the day of the effective date of this bill shall be included in the list of candidates to be presented to the Governor for the initial appointment of BOE members, only if the member accepts;
- (2) Specifying that the member of the community who shall be appointed by the Governor to the Council shall not be appointed until December 6, 2010;
- (3) Clarifying that the Council shall convene its first meeting as early as practicable;
- (4) Specifying that the elected BOE members serving on the day of the effective date of this bill shall continue to serve until the appointment of the number of interim members of BOE equivalent to the majority of all the voting members to which BOE is entitled; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2571, S.D. 2, H.D. 2.

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

SCRep. 1167-10 Finance on S.B. No. 2709

The purpose of this bill is to strengthen the law that requires public school facilities to give first preference, where feasible, to the purchase and use of cleaning and maintenance products that are environmentally sensitive.

Specifically, this measure requires that public school facilities give preference to products that have been approved by the Design for the Environment program of the United States Environmental Protection Agency, along with the existing preference for products approved by the Green Seal program.

DOE and the American Chemistry Council testified in support of this bill. The Department of Health offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2709, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2709, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1168-10 Finance on S.B. No. 2828

The purpose of this bill is to clarify the sections of law pertaining to school impact fees to facilitate the provision of land and collection of fees for public schools construction.

The Department of Education and the Land Use Research Foundation of Hawaii supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2828, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2828, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1169-10 Finance on S.B. No. 2544

The purpose of this bill is to extend the authorization for the Department of Budget and Finance to issue special purpose revenue bonds to finance the Honolulu Seawater Air Conditioning, LLC, projects on Oahu.

Honolulu Seawater Air Conditioning, LLC; Hawaii Building and Construction Trades Council, AFL-CIO; and Hawaii Renewable Energy Alliance testified in support of this bill.

Your Committee has amended this bill by changing the effective date to June 29, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2544, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1170-10 Finance on S.B. No. 2563

The purpose of this bill is to direct Hawaii toward future based on energy efficiency by:

- (1) Requiring the Director of the Department of Business, Economic Development, and Tourism (DBEDT) to impose and collect fees for the administration of the Solar Water Heater System for New Residences Program; and
- (2) Setting the goal of using alternative fuels to meet 30 percent of highway fuel demand by 2030.

DBEDT submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2563, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2563, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1171-10 Finance on S.B. No. 2548

The purpose of this bill is to improve the administration of the State's information technology (IT) resources by:

- (1) Establishing a full-time Chief Information Officer (CIO) to organize, manage, and oversee the state IT resources;
- (2) Creating an IT Steering Committee (Steering Committee), including representatives of large information technology user agencies of the Executive, Judicial, and Legislative Branches to assist the Chief Information Officer;
- (3) Creating Shared Services Technology Special Fund into which a percentage of the special fund assessments for government central service expenses is to be deposited and used to fund the activities of the CIO and Steering Committee; and
- (4) Providing that the departmental administrative expenses which each special fund must reimburse under section 36-30, Hawaii Revised Statutes, include the implementation of IT policies developed by the CIO and Steering Committee.

The Office of the Governor and Department of Budget and Finance testified in opposition to this bill. The Department of the Attorney General and High Technology Development Corporation provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2548, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1172-10 Finance on S.B. No. 2840

The purpose of this bill is to strengthen the local economy by requiring contractors awarded certain public works and construction contracts to ensure that Hawaii residents comprise not less than 80 percent of the workforce employed for the contract.

Two members of the Maui County Council; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council, AFL-CIO; District Council 50; and ILWU Local 142 supported this bill. The Department of Accounting and General Services, City and County of Honolulu Department of Design and Construction, General Contractors Association of Hawaii, and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2840, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1173-10 Finance on S.B. No. 506

The purpose of this bill is to reduce costs for the Highways Division of the Department of Transportation (DOT) by requiring:

- (1) That in procurement contracts for highway construction affecting utility facilities payable by the State or a county and a utility, the portion to be paid by the utility be subject to certification as to the sufficiency of funds to pay contract costs;
- (2) The certification to be based on amounts to be paid by a utility pursuant to a legal agreement with the State or county; and
- (3) That in addition to the utility, the State or county may agree to make progress payments or final payment under the memorandum of agreement, and is responsible for any additional costs attributable to late payments.

This measure also exempts Kauai Island Utility Cooperative from its provisions.

DOT, Kauai Island Utility Cooperative, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill. The Department of Environmental Services of the City and County of Honolulu provided comments.

Your Committee has amended this bill by:

- (1) Removing language providing an exemption for Kauai Island Utility Cooperative;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 506, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1174-10 Finance on S.B. No. 2139

The purpose of this bill is to provide indigent veterans without immediate family members with a proper burial by requiring the Director of the Office of Veterans' Services to ensure the burial or cremation and inurnment of the veteran's remains in a state veterans cemetery.

The Office of Veterans Services testified in support of this measure.

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

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

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1175-10 Finance on S.B. No. 2831

The purpose of this bill is to make permanent the amendments clarifying the conditions when a contractor and a subcontractor can agree to the withholding of payments by the procurement officer of payments requested by a subcontractor.

The State Procurement Office, General Contractors Association of Hawaii, and Subcontractors Association of Hawaii testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2831, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1176-10 Finance on S.B. No. 2389

The purpose of this bill is to enable the University of Hawaii (UH) to retain fiscal flexibility by allowing UH to continue using different sources of funding to finance the establishment of new commercial enterprises beyond June 30, 2011.

UH testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2389 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1177-10 Finance on S.B. No. 2649

The purpose of this bill is to extend the expiration of unencumbered appropriations to the University of Hawaii (UH) for the construction and repair of student housing.

UH and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2649, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1178-10 Finance on S.B. No. 2903

The purpose of this bill is to strengthen and ensure a continuum of Hawaiian language education from the early grades through college, by requiring the Hawaiian Language College at the University of Hawaii at Hilo (UHH), Department of Education (DOE), and Charter School Administrative

Office to enter into an agreement regarding the Hawaiian Language College's functions related to Nawahiokalani'opu'u school and other schools as appropriate, as laboratory schools.

UHH and several concerned individuals testified in support of this bill. DOE provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2903, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1179-10 Finance on S.B. No. 2386

The purpose of this bill is to enable the University of Hawaii (UH) to defray certain administration costs related to the implementation of its capital improvement projects (CIP) by establishing the UH Capital Improvements Program Project Assessment Special Fund (Special Fund). This will allow UH to:

- (1) Manage the payment of expenses assessable against CIPs; and
- (2) Equitably assess, collect, and distribute moneys for expenses associated with CIPs.

UH supported this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing the use of the Special Fund for the management of funds representing accumulated vacation and sick leave credits and retirement benefits for non-general funded employees under the capital improvements program projects managed by UH;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1180-10 Finance on S.B. No. 930

The purpose of this bill is to ensure access to medical services by providing medical expense payments and immunity from civil liability for licensed medical personnel providing volunteer medical assistance services on behalf of the State or a county.

The Department of Health and Hawaii Medical Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 930, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1181-10 Finance on S.B. No. 2494

The purpose of this bill is to:

- (1) Provide continuity in health care by requiring the Board of Trustees (Board) of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to offer an eligible employee-beneficiary or dependent-beneficiary, coverage for prescription drug benefits that is identical to the coverage provided under the employee-beneficiary's or dependent-beneficiary's current plan (Part I); and
- (2) Improve access to the full range of health care services to Medicaid and QUEST members, by prohibiting the Department of Human Services (DHS) from requiring:
 - (A) Approval from DHS for a health plan under Medicaid or QUEST programs to deliver services using a telehealth service; or
 - (B) In-person visits to qualify any telehealth service for coverage under Medicaid or QUEST programs (Part II).

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Mental Health America of Hawaii; and American Cancer Society Hawaii Pacific, Inc. testified in support of this bill. The Department of Budget and Finance and DHS opposed this measure. The Department of the Attorney General, Hawaii Medical Association, Hawaii Medical Service Association, Hawaii Association of Health Plans, and informedRx offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2494, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.
(Representative Finnegan voted no.)

SCRep. 1182-10 Finance on S.B. No. 2599

The purpose of this bill is to provide for the early detection of colorectal-cancer by requiring health insurers to:

- (1) Cover colorectal-cancer screening procedures graded A or B, as recommended by the United States Preventive Services Task Force; and
- (2) Provide those insured with information about the risks of undiagnosed colorectal-cancer and encourage them to consult with their physician about screening options.

The Office of the Auditor, Kaiser Permanente Hawaii, and the American Cancer Society testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2599, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1183-10 Finance on S.B. No. 2729

The purpose of this bill is to ensure that people are protected from vaccine-preventable diseases by authorizing the Department of Health (DOH) to establish and maintain a single repository of immunization records, to be known as the "Hawaii Immunization Registry," to aid, coordinate, and help promote efficient and cost-effective screening, prevention, and control of these diseases.

DOH, the Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Association of Independent Schools, Kaiser Permanente, Hawaii Medical Service Association, Hawaii Association of Health Plans, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2729, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Coffman, Keit and Agaran.

SCRep. 1184-10 Finance on S.B. No. 2885

The purpose of this bill is to explore additional methods to make health care in the state more affordable by establishing the Health Savings Accounts Assessment Task Force to evaluate the current state of health savings accounts options in Hawaii's health insurance market and to investigate ways to expand access to these accounts in Hawaii.

The Hawaii Medical Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2885, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1185-10 Finance on S.B. No. 2919

The purpose of this bill is to increase the safety of employees and patients at the Hawaii State Hospital (Hospital) as well as those in the surrounding community by requiring the Department of Public Safety (PSD) to:

- (1) Provide security at the Hospital; and
- (2) In cooperation with the Department of Health, submit a report to the 2011 Legislature on appropriate security measures and short- and long-range strategies and plans to address the increasing and aging population at the Hospital.

The Hawaii Government Employees Association, AFSCME Local 125, AFL-CIO, and several concerned individuals testified in support of this bill. PSD opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2919, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Coffman and Keith-Agaran.

SCRep. 1186-10 Finance on S.B. No. 2611

The purpose of this bill is to ensure that real property tax exemptions are only taken by persons entitled to them by amending the law requiring the Department of Health (DOH) to submit a list of deaths of citizens of voting age or over to the county clerks, to require that:

- (1) The list include the last four digits of the deceased's social security number, date of birth, date of death, and last known address;
- (2) The information also be provided to the county real property assessment division; and
- (3) The information be provided at no charge.

The County of Hawaii Finance Department supported this bill. DOH, Department of Budget and Finance, and County of Kauai Department of Finance opposed this measure. The Office of the County Clerk of the Counties of Maui, Kauai, and Hawaii; County of Maui Real Property Tax Division; Department of Budget and Fiscal Services; and City Clerk of the City and County of Honolulu provided comments.

Your Committee has amended this bill by deleting its contents and replacing it with language that allows:

- (1) The fee for a verification of a vital statistics record given in lieu of a certified copy to be less than one half of the fee for the first certified copy of the certificate containing the vital statistic; and
- (2) Money in the Vital Statistics Improvement Special Fund to be used to assist in offsetting the cost of daily operations of the system of vital statistics.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2611, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2611, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1187-10 Finance on S.B. No. 910

The purpose of this bill is to transfer the functions and duties of the Homeless Programs Branch of the Hawaii Public Housing Authority (HPHA) to the Benefit, Employment, and Support Services Division of the Department of Human Services (DHS).

DHS, HPHA, the Department of Accounting and General Services, Catholic Charities Hawaii, Partners in Care, Hawaii Family Forum, and Hawaii Catholic Conference supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1188-10 Finance on S.B. No. 2473

The purpose of this bill is to assist grandparents raising their grandchildren by:

- (1) Allowing grandchildren of elderly housing project residents to temporarily reside with the elderly resident during certain family crisis situations; and
- (2) Granting elderly residents evicted from elderly housing because they allowed grandchildren to live with them during a family crisis, first priority back into elderly housing.

The Office of Hawaiian Affairs, Hawaii Family Forum, Hawaii Catholic Conference, and several concerned individuals supported this bill. The Hawaii Public Housing Authority opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2473, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2473, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1189-10 Finance on S.B. No. 2593

The purpose of this bill is to ensure that housing projects granted a low- or moderate-income housing general excise tax exemption continue to meet exemption criteria by requiring:

- (1) The Department of Taxation (DOTAX) to conduct periodic reviews of these projects for compliance; and
- (2) The Hawaii Housing Finance and Development Corporation (HHFDC) to establish penalties for noncompliance by rule.

DOTAX opposed this bill. HHFDC, Tax Foundation of Hawaii, and Hawaii Association of REALTORS provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2593, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2593, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1190-10 Finance on S.B. No. 2716

The purpose of this bill is to create within the jurisdiction of the family court a new Child Protective Act to make paramount the safety and health of children who have been harmed or are in life circumstances that threaten harm.

The Department of Human Services, Legal Aid Society of Hawaii, and a concerned individual testified in support of this bill. The Judiciary and several concerned individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2716, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1191-10 Finance on S.B. No. 2469

The purpose of this bill is to help maintain vital social services by appropriating moneys from the Emergency and Budget Reserve Fund for services and programs determined to be essential to education and public health and welfare.

The State Council on Developmental Disabilities, the Department of Education, the Salvation Army-Family Intervention Services, the Waianae Coast Comprehensive Health Center, Hale Opio Kauai, Inc., the Policy Advisory Board for Elder Affairs, the Waikiki Community Center, the Sex Abuse Treatment Center, Hawaii State Coalition Against Domestic Violence, the Salvation Army Honolulu Advisory Board, the Healthcare Association of Hawaii, Child and Family Service, the Hawaii Substance Abuse Coalition, the National Multiple Sclerosis Society, the Hawaii Disability Rights Center, the Domestic Violence Action Center, the Legal Aid Society of Hawaii, AARP Hawaii, the Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Primary Care Association, Hawaii Youth Services Network, Catholic Charities Hawaii, the National Association of Social Workers, Hawaii Chapter, Easter Seals Hawaii, the Arc of Hilo, and numerous concerned individuals testified in support of this bill. The Department of the Attorney General, the Judiciary, the County of Hawaii Office of Aging, PHOCUSED (Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled), Volunteer Legal Services Hawaii, the Special Education Advisory Council, Project Dana, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Changing all dollar amounts contained in the measure to unspecified amounts;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2469, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2469, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1192-10 Finance on S.B. No. 2650

The purpose of this bill is to ensure that certain levels of Medicaid and public assistance services continue to be provided by requiring:

- (1) Medicaid health insurance plan contractors to provide a specific level of reimbursement for their case management agencies, chore providers, and providers of non-emergency medical transportation;
- (2) All intake and eligibility functions relating to welfare and public assistance recipients be performed by employees of the Department of Human Services; and
- (3) The convening of a task force to determine the feasibility of transferring services to a proposed eligibility-processing operations division.

Catholic Charities Hawaii, The Arc of Hilo, The Arc of Kona, and several concerned individuals supported this bill. The Department of Human Services, Hawaii Government Employees Association, a member of the Hawaii County Council, Case Management Professionals Inc., Ohana Health Plan, and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Limiting a Medicaid healthcare insurance plan contractor to an unspecified percentage reduction in the reimbursement rates that were in effect under an expiring policy with a home and community-based case management agency when renewing a policy with a home and community-based case management agency;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2650, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2650, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.
(Representative Finnegan voted no.)

SCRep. 1193-10 Finance on S.B. No. 2150

The purpose of this bill is to extend the sunset date of certain jurisdictional responsibilities of the appellate courts, to June 30, 2014.

The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2150, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1194-10 Finance on S.B. No. 2116

The purpose of this bill is to delegate to the Superintendent of Education the authority to agree to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees for public school purposes and functions while using county facilities.

The Department of Education and County of Kauai Office of the County Attorney testified in support of this bill. The Department of the Attorney General opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2116, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2116, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1195-10 Finance on S.B. No. 2159

The purpose of this bill is to increase the fee for providing a traffic abstract from \$7 to \$10 and the portion of the fee deposited into the general fund from \$5 to \$8.

The Judiciary supported this bill. Hawaii Insurers Council, USAA, the Property Casualty Insurers Association of America, and State Farm Insurance Companies opposed this measure.

Your Committee has amended this bill by increasing:

- (1) The fee increase for a traffic abstract to \$20; and
- (2) The portion of the fee deposited into the general fund from \$8 to \$18.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2159, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2159, H.D. 1.

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

SCRep. 1196-10 Finance on S.B. No. 2378

The purpose of this bill is to require, beginning on January 1, 2014, members of the Office of Hawaiian Affairs (OHA) Board of Trustees (Board) to be nominated at a primary election and elected at the general election, rather than be elected at a special election held in conjunction with the general election.

The Council for Native Hawaiian Advancement and numerous concerned individuals testified in support of this bill. OHA provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2378, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2378, S.D. 2, H.D. 1.

Signed by all members of the Committee.

SCRep. 1197-10 Finance on S.B. No. 2454

The purpose of this bill is to:

- (1) Allow courts to charge fees, as established by court rules, for certified copies of pleadings, orders, transcripts, and other documents; and
- (2) Provide an exemption from these fees for state agencies, subject to limitation by court rules.

The Judiciary and Department of the Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Exempting state agencies from the fees with no limitations on the exemptions; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2454, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2454, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1198-10 Finance on S.B. No. 2661

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

The Department of the Attorney General supported this bill.

Your Committee has amended this bill by:

- (1) Inserting language to address seven new claims against the State which have been resolved for \$1,449,499.00; and
- (2) Changing the effective date from July 1, 2050, to upon its approval.

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

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

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1199-10 Finance on S.B. No. 2807

The purpose of this bill is to create a fiscal reserve to enable the State to meet its financial obligations during economic difficulties and other emergencies. This bill proposes an amendment to Article VII, section 6, of the Hawaii Constitution to amend the requirement that excess general fund revenues be returned to taxpayers of the State as a tax refund or tax credit by giving the Legislature the alternative of depositing these excess revenues into an emergency and budget reserve fund.

The Policy Advisory Board for Elder Affairs testified in support of this bill. The Office of the Governor, Department of Budget and Finance, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Simplifying the question to be printed on the ballot by deleting language that describes the purpose of the emergency and budget reserve funds; and
- (2) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2807, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2807, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1200-10 Finance on S.B. No. 2050

The purpose of this bill is to assist injured workers in obtaining gainful employment by requiring a provider of rehabilitation services to determine if modified or other work with the injured worker's current employer represents suitable gainful employment under a rehabilitation plan before considering employment with a different employer.

The Department of Labor and Industrial Relations, ILWU Local 142, and Hawaii Injured Workers Alliance supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2050 and recommends that it pass Third Reading.

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

SCRep. 1201-10 Finance on S.B. No. 2174

The purpose of this bill is to help ensure that costs to the counties are considered in decisions regarding the State's employee retirement system by increasing the membership of the Employees' Retirement System (ERS) Board of Trustees to ten, adding:

- (1) One member to be appointed by the Hawaii Council of Mayors (Council) and confirmed by the Senate; and
- (2) One additional member who is a member of the ERS and a general employee.

The Council and Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO testified in support of this bill. ERS and the Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2174, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1202-10 Finance on S.B. No. 2323

The purpose of this bill is to ensure access to unemployment benefits by requiring the Department of Labor and Industrial Relations (DLIR) to accept and enter work availability information on DLIR's Internet job-matching system to allow an individual to fulfill online registration for work requirements for unemployment insurance benefits.

ILWU Local 142 testified in support of this bill. DLIR provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2323, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1203-10 Finance on S.B. No. 2394

The purpose of this bill is to clarify the composition of the Board of Trustees of the Deferred Compensation Plan (Board) by:

- (1) Repealing the statutory requirement that the Director of Human Resources Development (Director) serve as Board Chair;
- (2) Specifying that the membership of the Director or a designated representative on the Board is ex-officio; and
- (3) Providing that five, rather than three, members be public employees who represent employee interests.

The Department of Budget and Finance and the Department of Human Resources Development opposed this bill. Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1204-10 Finance on S.B. No. 2691

The purpose of this bill is to streamline the processing of Employees' Retirement System (ERS) pension payments by:

- (1) Requiring all retirees and beneficiaries in the state retirement system or county pension plans to be paid on a monthly, rather than semi-monthly, basis effective March 1, 2011;
- (2) Requiring all retirees and beneficiaries in the state retirement system to designate a financial-institution account into which the ERS is authorized to deposit their state retirement benefits effective March 1, 2011; and
- (3) Directing ERS to adjust the dates on which the semi-monthly payments in January 2011 and February 2011 are made to facilitate the monthly to semi-monthly transition.

ERS testified in support of this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2691, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1205-10 Finance on S.B. No. 1062

The purpose of this bill is to regulate professional employer organizations (PEOs) in Hawaii as business organizations by requiring PEOs, before entering into any agreement with a client company in Hawaii to:

- (1) Register with the Insurance Commissioner and provide information including proof of compliance with Hawaii's employment insurance laws; and
- (2) Post a \$1,000,000 bond to indemnify a PEO's client companies.

ALTRES, Inc., testified in support of this bill. JS Services, Inc., and the Department of Commerce and Consumer Affairs opposed this measure. The Department of Labor and Industrial Relations, National Association of Professional Employer Organizations, and ProService Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Replacing, with an unspecified amount, the bond amount of \$1,000,000 that a professional employer organization must post before entering into a professional employment agreement with a client company in the state;
- (2) Changing the effective date to July 1, 2020; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1062, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1206-10 Finance on S.B. No. 2175

The purpose of this bill is to ensure that the effects of proposed Hawaii Employer-Union Health Benefits Trust Fund benefit changes on the counties' employees, retirees, workplace, and finances are adequately considered by the Hawaii Employer-Union Health Benefits Trust Fund Board (Board) by requiring that one of the five seats on the Board allocated to public employers is occupied by a member appointed by the Hawaii Council of Mayors to represent the interests of all four counties.

The Hawaii Council of Mayors testified in support of this bill. The Department of Budget and Finance and Department of Human Resources Development opposed this measure. The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO and a concerned individual provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2175, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2175, S.D. 1, H.D. 2.

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

SCRep. 1207-10 Finance on S.B. No. 2324

The purpose of this bill is to help ease financial strain on partially unemployed individuals by authorizing an individual who is attached to a regular employer who is not offering work to receive unemployment insurance benefits under certain specified conditions.

The Hawaii Building and Construction Trades Council, AFL-CIO, and ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) and General Contractors Association of Hawaii testified in opposition to this measure.

Your Committee has amended this bill by inserting language that:

- (1) Requires DLIR, with assistance from the Department of Business, Economic Development, and Tourism (DBEDT), to conduct a study on the cost and feasibility of changing from annual to semi-annual the contribution rate schedules for unemployment contributions;
- (2) Requires DLIR, with assistance from DBEDT, to review the auditor's study conducted in 1982 regarding the financing mechanisms of the unemployment compensation fund;
- (3) Provides unspecified amounts of funds from the Special Unemployment Insurance Administration Fund for DLIR, with the assistance of DBEDT, to conduct the study and review; and
- (4) Requires DLIR, working with DBEDT, to submit reports of its findings and recommendations to the Legislature.

Your Committee has also amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2324, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2324, S.D. 2, H.D. 2.

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

SCRep. 1208-10 Finance on S.B. No. 2566

The purpose of this bill is to ensure that injured workers have access to appropriate health care by clarifying that a physician or surgeon may conduct diagnostic testing or engage in a one-time consultation for a subspecialty diagnostic evaluation and treatment recommendation from a board-certified or licensed specialist, who may work in a facility where the physician or surgeon has a financial interest.

The ILWU Local 142, Hawaii State Chiropractic Association, and Hawaii Injured Workers Alliance supported this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations, City and County of Honolulu's Department of Human Resources, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., Hawaii Insurers Council, and Property Casualty Insurers Association of America opposed this measure. The Hawaii Chapter of the American Physical Therapy Association submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2566, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2566, H.D. 2.

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

SCRep. 1209-10 Finance on S.B. No. 2626

The purpose of this bill as received by your Committee is to ensure the efficiency, effectiveness, and competency of permanent civil service employees by temporarily lengthening the initial civil service probation period from six months to 12 months for employees in positions exempt from civil service who transfer into civil service positions or are hired within 90 days of leaving their exempt position. This requirement will only apply to those hired into civil service positions between December 15, 2009, and December 31, 2011. This bill also requires state agencies to report quarterly to the Legislature about all non-civil service and temporary employees in the agency.

For purposes of a public hearing, your Committee circulated a proposed H.D. 1 version that amended the bill as received by your Committee by, among other things:

- (1) Amending the purpose section of the bill to conform to the scope and purpose of the proposed H.D.1;
- (2) Applying the initial probation period of not less than 12 months to exempt employees who transferred into a civil service position or were rehired into a civil service position within 90 days of leaving a position that was exempt from civil service, if the employee transferred or was rehired between the date of enactment of the proposed H.D.1 and 11:59 a.m. on the third Wednesday of January 2011;
- (3) Temporarily prohibiting the hiring of individuals, either directly or indirectly and including through requests for proposals, to perform work that has traditionally been done by State civil service employees from the enactment of this bill to 10 a.m. on the third Wednesday of January 2011 (appointment prohibited practice) and establishing a civil penalty therefor that does not exceed \$500,000; and
- (4) Establishing the Hawaii Enforcement Board to adjudicate allegations of appointment prohibited practices.

A concerned individual testified in support of this bill. The Office of the Governor, Department of Human Resources Development, Judiciary, Department of Budget and Finance, and Department of the Attorney General opposed this measure. The Hawaii Government Employees' Association, AFSCME Local 155, AFL-CIO provided comments.

Your Committee has amended the bill as received by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2626, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2626, S.D. 1, H.D. 1.

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

SCRep. 1210-10 Finance on S.B. No. 2849

The purpose of this bill is to improve the efficiency and accountability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) by among other things:

- (1) Exempting the procurement of carriers, administrators, consultants, actuaries, and auditors from the Procurement Code;
- (2) Imposing fiduciary duties, restrictions, and liabilities on fiduciaries of the EUTF;
- (3) Enabling the Board of Trustees of the EUTF (Board) to access attorneys with specific experience in highly technical legal field and independent of the Attorney General;
- (4) Changing the number of trustees on the Board from ten to 12, how they are appointed, their terms of office, and quorum and voting requirements;
- (5) Transferring jurisdiction over the EUTF from the Department of Budget and Finance (B&F) to the Department of Human Resources Development (DHRD); and
- (6) Requiring the Director of DHRD to report to the Legislature prior to the Regular Sessions of 2013 and 2015 on the cost effectiveness of the amendments made pursuant to this measure.

The University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME, Local 646, AFL-CIO supported this bill. B&F and the Department of the Attorney General opposed this measure. DHRD, City and County of Honolulu Department of Human Resources, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Inserting provisions stipulating that the arbitration panel shall render a final and binding decision on state and county contributions to the EUTF;

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2849, S.D. 2, H.D. 1.

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

SCRep. 1211-10 Finance on S.B. No. 950

The purpose of this bill is to alleviate potential violent situations by authorizing law enforcement officers of the Department of Public Safety (PSD) and conservation and resources enforcement officers of the Department of Land and Natural Resources (DLNR) to use electric guns. This bill also requires these officers to receive training in the use of electric guns.

DLNR; PSD; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; The Nature Conservancy of Hawaii; and numerous concerned individuals testified in support of this measure. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Authorizing conservation and resources enforcement officers and PSD law enforcement officers to be trained concurrently to encourage cost savings and ensure uniform training;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 950, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Coffman, and Keith-Agaran.

SCRep. 1212-10 Finance on S.B. No. 2054

The purpose of this bill is to establish within the state Civil Defense Agency the position of Statewide Communications Interoperability Coordinator and to appropriate federal funds received from the Homeland Security Grant Program to fund this new position.

The Department of Defense and a concerned individual testified in support of this bill. The Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by:

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

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

Signed by all members of the Committee except Representatives Coffman, and Keith-Agaran.

SCRep. 1213-10 Finance on S.B. No. 2502

The purpose of this bill is to appropriate funds to the Hawaii Civil Air Patrol to continue its vital missions in Hawaii, including its tsunami warning operations.

Several concerned individuals testified in support of this bill. The Department of Defense offered comments.

Your Committee has amended this bill by

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2502, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2502, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Coffman, and Keith-Agaran.

SCRep. 1214-10 Finance on S.B. No. 2533

The purpose of this bill is to require an audit of the Department of Public Safety's (PSD) contracts with the Corrections Corporation of America and the federal detention center in Honolulu, that focuses on a comparison of housing Hawaii inmates in mainland facilities and in the federal detention center with housing Hawaii inmates in Hawaii facilities operated by the State.

The Hawaii Government Employees Association AFSCME Local 152, AFL-CIO; 'Ohana Ho'opakele; and a concerned individual supported this bill. PSD opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2533, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2533, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Coffman, and Keith-Agaran.

SCRep. 1215-10 Finance on S.B. No. 2702

The purpose of this bill is to allow federal reimbursements for disaster relief to be held in a trust account for future disaster relief.

The Department of Defense testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2702, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2702, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Coffman, and Keith-Agaran.

SCRep. 1216-10 Finance on S.B. No. 2601

The purpose of this bill is to ensure that Hawaii's athletes receive appropriate emergency care, treatment, and rehabilitation by requiring the State Auditor to conduct a sunrise analysis of the licensure of athletic trainers.

The Department of Education, Hawaii Chapter—American Physical Therapy Association, Occupational Therapy Association of Hawaii, and Hawaii Athletic Trainers Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2601, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1217-10 Finance on S.B. No. 2187

The purpose of this bill is to improve Hawaii's tourism industry and the administration of the Hawaii Tourism Authority (HTA) by, among other things:

- (1) Authorizing HTA to maintain confidentiality of certain sensitive information;
- (2) Allowing information relating to marketing plans and strategies to be disclosed after the execution of the marketing plans and strategies;
- (3) Specifying that HTA executive meetings must adhere to the Sunshine Law under Chapter 92, Hawaii Revised Statutes;
- (4) Conforming reporting requirements for contracts or agreements entered into by HTA to current practices;
- (5) Requiring HTA to include in the measure of effectiveness of its marketing plan, documentation of the progress of the marketing plan towards achieving its strategic plan goals, instead of its benefits; and
- (6) Extending for five years the statutory provisions that:

- (A) Exempt HTA accounts from the supervision of the Comptroller;
- (B) Authorize the deposit of interest and revenues from projects and project agreements into the Tourism Special Fund; and
- (C) Authorize HTA to:
 - (i) Use up to five percent of moneys in the Tourism Special Fund for administrative expenses; and
 - (ii) Pay the Executive Director up to nine percent of the funds authorized for administrative expenses.

HTA, the Office of Information Practices, and Tourism Liaison provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2187, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2187, S.D. 1, H.D. 2.

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

SCRep. 1218-10 Finance on S.B. No. 2105

The purpose of this bill is to improve the administration of the parking program for persons with disabilities by:

- (1) Designating the Disability and Communication Access Board (DCAB) as the issuing agency for removable windshield placards, temporary removable windshield placards, special license plates, and identification cards;
- (2) Extending the duration a removable windshield placard is effective from four to six years;
- (3) Repealing the statutory reimbursement rate paid to the counties for providing placards, special license plates, and identification cards, and establishing the rate by administrative rule;
- (4) Allowing the counties to retain any transaction fees charged for providing placards, special license plates, and identification cards; and
- (5) Providing for the issuance of a second removable windshield placard or temporary removable windshield placard upon request of the applicant and verification of the applicant's disability.

The State Council on Developmental Disabilities, DCAB, and several concerned individuals testified in support of this bill. The City and County of Honolulu Department of Customer Services provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2105, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1219-10 Finance on S.B. No. 2758

The purpose of this bill is to ensure the continued receipt of federal funds that allow the State to enforce the Federal Motor Carrier Safety Regulations and the Hazardous Materials Regulations by conforming Hawaii's motor carrier safety law to the Federal Motor Carrier Safety Regulations as they relate to vehicles transporting hazardous materials.

The Department of Transportation testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2758 and recommends that it pass Third Reading.

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

SCRep. 1220-10 Finance on S.B. No. 2863

The purpose of this bill is to expand the ability of state and county agencies to pursue reimbursement of outstanding debts by:

- (1) Mandating the county Director of Finance to record the notice of judgments as an encumbrance payable to a county on any registered motor vehicle;

- (2) Requiring the county Director of Finance to establish the payment of judgments payable to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership;
- (3) Requiring the Director of Finance to waive payments for and record the transfer of ownership of a vehicle if the existing owner or prospective new owner for the vehicle provides evidence that at the time ownership of the vehicle was taken, there were no notices of liens or judgments as to the vehicle on the motor vehicle registration computer file;
- (4) Prohibiting the State, county, or any political subdivision from being charged a fee for any entry made in the tax lien and encumbrance record; and
- (5) Providing, for a period of 18 months from the passage of this bill, the State and the counties with the absolute power to settle, discharge, release, and resolve any and all judgments, claims, liens, and encumbrances for an amount not less than what the debtor would have paid had timely payment been made prior to such judgment, claim, lien, or encumbrance, in instances when the outstanding amount is not more than \$500.

The Department of the Attorney General and Catrala-Hawaii supported this bill. The Judiciary and City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 1221-10 Finance on S.B. No. 2201

The purpose of this bill is to update Hawaii's laws by repealing obsolete provisions relating to annual motor vehicle registration.

The City and County of Honolulu, County of Hawaii, County of Maui, and County of Kauai provided comments.

Your Committee has amended this bill by:

- (1) Inserting language repealing additional obsolete provisions relating to annual motor vehicle registrations, in particular, provisions contained in section 249-33(b), Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2201, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2201, S.D. 1, H.D. 1.

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

SCRep. 1222-10 Finance on S.B. No. 2461

The purpose of this bill is to continue to assist in the renovation and development of car rental customer facilities at Hawaii's airports by, among other things:

- (1) Providing the Department of Transportation (DOT) with greater flexibility in determining the Rental Motor Vehicle Customer Facility Charge (Customer Facility Charge);
- (2) Stipulating that any resolution or certificate authorizing any issue of bonds relating to the use of the Customer Facility Charge for an airport capital improvement program project approved by the Legislature may establish other accounts within the Rental Motor Vehicle Customer Facility Charge Special Fund (Special Fund) and require the transfer of the passenger facility charge into the other accounts to pay debt service on the related bonds;
- (3) Authorizing financing on a basis other than a long-term basis, where appropriate, for construction of rental motor vehicle facilities and other permitted uses when using the Customer Facility Charges to pay for the financing;
- (4) Increasing the Customer Facility Charge from \$1 per day to \$4.50 per day beginning on September 1, 2010;
- (5) Stipulating that the minimum total collections for the charges of \$4.50 per day may not be reduced by DOT for at least 20 years commencing on September 1, 2010, or until such time as necessary to pay any bonds or financial agreements issued or entered into to support or assist in meeting the use or purpose of the Special Fund;
- (6) Providing DOT with sole discretion and greater flexibility in determining the Customer Facility Charge for rental motor vehicle companies that do not operate a concession at a state airport;
- (7) Allowing DOT to establish, levy, assess, and collect these Customer Facility Charges without conducting a public informational hearing prior to implementing any changes;

- (8) Clarifying that DOT may not only contract, but may also negotiate, the operations of the rental motor vehicle facility and related services with not just one, but more than one, airport concession that shares in the use of a facility at a state airport; and
- (9) Appropriating \$286,000,000 from the Special Fund for fiscal year 2010-2011 for various airport rental car facility projects and programs statewide.

DOT and the Hawaii Building and Construction Trades Council, AFL-CIO supported this bill. Catrala-Hawaii, The Hertz Corporation, Dollar Thrifty Automotive Group, Avis Budget Group, and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Inserting language that references the correct facility charge for the transfer of funds to pay debt service on the related bonds for rental motor vehicle facilities;
- (2) Limiting one portion of the use of the appropriation to construction of an overflow vehicle storage lot at Kahului airport and related expenses by deleting the planning and design cost elements in that provision;
- (3) Replacing the appropriation with an unspecified amount;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2461, S.D. 2, H.D. 2.

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

SCRep. 1223-10 Finance on S.B. No. 2897

The purpose of this bill is to promote safety on Hawaii's roadways by enacting the recommendations of the Hawaii Ignition Interlock Implementation Task Force (Task Force) established under Act 171, Session Laws of Hawaii 2008. Among other things, this bill:

- (1) Prohibits an individual, who has been restricted to operating a vehicle with an ignition interlock device, from knowingly circumventing or tampering with the device to operate the vehicle, and provides for penalties for such a violation;
- (2) Prohibits individuals from knowingly assisting or abetting the circumvention or tampering of an ignition interlock device and provides penalties for such actions;
- (3) Makes refusal to submit to a breath, blood, or urine test a petty misdemeanor;
- (4) Provides for a definition of "valid license" and repeals the definition of "highly intoxicated driver";
- (5) Repeals evidence of intoxication parameters for highly intoxicated drivers;
- (6) Specifies that the Director of Transportation shall contract with the selected ignition interlock vendor to provide partial financial relief for the installation and the periodic calibration charges to offenders who apply for assistance for the installation and the periodic calibration charges for ignition interlock devices;
- (7) Specifies that ignition interlock devices be certified by an independent laboratory to meet or exceed the guidelines published by the National Highway Traffic Safety Administration;
- (8) Provides for the annual auditing of the vendor selected for the installation and maintenance of ignition interlock devices by the Department of Transportation (DOT), and authorizes the Director of DOT to require the vendor to pay for all or part of the costs incurred in conducting the audit;
- (9) Requires a notice of administrative revocation to notify a respondent that the respondent must obtain and keep an ignition interlock device installed and operating in any vehicle the respondent operates during a revocation period if the respondent had a valid driver's license at the time of the arrest;
- (10) Provides for notice of the date by which outstanding motor vehicle number plates must be surrendered, and that failure to surrender the plates as required is a misdemeanor offense;
- (11) Provides for the revocation of the registration of a motor vehicle registered to the respondent as part of an administrative revocation;
- (12) Eliminates probationary provisions for convicted second and third offenders and provides for the existing practice of "proof of compliance" to be used for all convicted offenders; and
- (13) Provides for the loss of the privilege to operate a motor vehicle equipped with an ignition interlock device upon conviction of operating a vehicle after a license has been suspended or revoked for operating a vehicle under the influence of an intoxicant.

The Department of Transportation on behalf of the Hawaii Ignition Interlock Implementation Task Force, Department of Health, Department of the Prosecuting Attorney and Honolulu Police Department of the City and County of Honolulu, and Mothers Against Drunk Driving Hawaii testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2897, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2897, S.D. 2, H.D. 3.

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

SCRep. 1224-10 Finance on S.B. No. 2942

The purpose of this bill is to increase economic efficiency through government reorganization by:

- (1) Establishing the Aloha Tower Development Task Force (Task Force) within the Department of Transportation (DOT) to determine the feasibility and economic impact of dissolving the Aloha Tower Development Corporation (ATDC) and transferring its responsibilities to DOT and the Hawaii Community Development Authority;
- (2) Requiring the Task Force to submit a report of its findings and recommendations to the Legislature prior to the convening of the 2012 legislative session;
- (3) Providing that if the Task Force recommends the dissolution of ATDC, the dissolution will not occur until July 1, 2013; and
- (4) Appropriating \$1,875,479 from the Harbor Special Fund for consultant services to implement the commercial harbors modernization plan.

ATDC supported this bill. DOT and the Hawaii Harbors Users Group provided comments.

Your Committee has amended this bill by:

- (1) Replacing the appropriation with an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2942, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2942, S.D. 2, H.D. 2.

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

SCRep. 1225-10 Finance on S.B. No. 1315

The purpose of this bill is to provide the Department of Land and Natural Resources (DLNR) with the flexibility to take advantage of private funding sources that would enable the State to better manage Hawaii's natural resources. This bill establishes the Conservation and Resources Enforcement Special Fund to receive and expend these funds.

DLNR, Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO, The Nature Conservancy, and Hawaii Audubon Society testified in support of this bill. The Hawaii Boaters Political Action Association opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the appropriated amount; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1315, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1226-10 Finance on S.B. No. 2019

The purpose of this bill is to remove the 20-year limit for thrill craft and parasailing permits, and make those permits renewable annually. This bill also directs the Department of Land and Natural Resources (DLNR) to offer for public auction permits that have been revoked for failure to meet the conditions for renewal.

A concerned individual testified in support of this bill. A concerned individual opposed this measure. DLNR, the Ocean Tourism Coalition, and a concerned individual offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2019, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2019, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.
(Representative Ward voted no.)

SCRep. 1227-10 Finance on S.B. No. 2440

The purpose of this bill is to provide greater flexibility to county boards of water supply by permitting other county authorized signatories to issue warrants for the disbursement of funds for accounts payable.

The County of Kauai Office of the County Attorney testified in support of this bill. The County of Kauai Department of Water provided comments.

Your Committee has amended this bill by:

- (1) Authorizing boards of water supply to delegate powers and duties regarding funds disbursement through policies as well as rules; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2440, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2440, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1228-10 Finance on S.B. No. 2610

The purpose of this bill is to increase government efficiency by requiring the Director of Taxation to provide the county real property assessment divisions with an image of all certificates of conveyance filed with the Bureau of Conveyances.

The City and County of Honolulu and County of Kauai supported this bill. The Department of Taxation opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2610, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2610, H.D. 1.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1229-10 Finance on S.B. No. 2144

The purpose of this bill is to extend the Tax Credit for Research Activities for an additional year and repeal the Technology Infrastructure Renovation Tax Credit and High Technology Business Investment Tax Credit.

This measure also requires the Hawaii Community-based Economic Development Revolving Fund to be used to fund the Community-based Economic Development Program and Enterprise Zone Program's operating costs.

PacifiCap Group, LLC; Advantage Capital Partners; SDC Hawaii, LLC; Ho'okele Health Technologies, LLC; and a concerned individual opposed this bill. The Department of Taxation, Tax Foundation of Hawaii, USAA, Puko'a Scientific, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that extend the Tax Credit for Research Activities and repeal the Technology Infrastructure Renovation Tax Credit and High Technology Business Investment Tax Credit;
- (2) Inserting provisions that, among other things:

- (A) Amend the State Private Investment Fund (Fund) program to establish a managing board;
 - (B) Provide that the contractual guarantee obligation of the corporation may be satisfied by proceeds from the sale of any tax credits;
 - (C) Establish investment limits;
 - (D) Require investments in successful venture capital firms with experienced managers and with an ability to mentor entrepreneurs and facilitate follow-on investments;
 - (E) Set a target of 30 percent of investments of the Fund in Hawaii-based businesses; and
 - (F) Direct that returns exceeding certain costs and expenses be deposited into the general fund;
- and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2144, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2144, S.D. 2, H.D. 2.

Signed by all members of the Committee.

SCRep. 1230-10 Finance on S.B. No. 2231

The purpose of this bill is to support the deployment of electric vehicles and the infrastructure for such vehicles in Hawaii by:

- (1) Exempting the sale or lease of electric vehicles and electric vehicle charging stations from general excise tax for the period starting July 1, 2010, to January 1, 2015; and
- (2) Preventing multi-family residential dwelling and townhouse associations from prohibiting the installation or use of electric vehicle charging systems.

Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; and the Blue Planet Foundation provided comments.

Your Committee has amended this bill by:

- (1) Deleting the purpose section;
- (2) Deleting the provision for exemption of sale or lease of electric vehicles and electric vehicle charging stations from general excise tax from July 1, 2010, to January 1, 2015;
- (3) Deleting the definitions of "electric vehicle," "electric vehicle charge point," and "electric vehicle charging system";
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2231, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2231, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1231-10 Finance on S.B. No. 2385

The purpose of this bill is to give the University of Hawaii (UH) the following forms of fiscal autonomy from the Comptroller beyond June 30, 2011, by:

- (1) Exempting UH from the executive agencies over which the Comptroller has complete account supervision;
- (2) Allowing UH to install an accounting system designed for colleges and universities, instead of the system used by other state agencies;
- (3) Allowing UH to develop new and change existing business and accounting forms, without the prior approval of the Comptroller, except forms of statewide use in the State's accounting system; and
- (4) Allowing UH's chief financial officer, instead of the Comptroller, to approve the assignment of debt by UH's creditors.

This bill also, on a permanent basis, gives the Comptroller access to certain UH fiscal matters by:

- (1) Authorizing the Comptroller to request UH to provide information necessary for the Comptroller to prepare required financial statements; and
- (2) Requiring UH to report to the Comptroller within 15 days after each quarter, all transactions relating to moneys held outside of the state treasury.

UH testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2385, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2385, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Awana and Sagum.

SCRep. 1232-10 Finance on S.B. No. 2600

The purpose of this bill is to ensure the quality of practice of respiratory care in Hawaii by establishing licensure requirements and regulatory standards for respiratory therapists who practice respiratory care.

The Hawaii Society for Respiratory Care and several concerned individuals testified in support of this bill. The Professional Vocational Licensing Division of the Department of Commerce and Consumer Affairs and numerous concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2600, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1233-10 Finance on S.B. No. 1178

The purpose of this bill is to improve the availability of kidney dialysis treatment, particularly during power outages, by requiring the Department of Health (DOH) to review the emergency plans of all dialysis centers in Hawaii and post a list on DOH's website of all dialysis centers in Hawaii that have backup emergency generators with the capacity to sustain dialysis treatments and maintain their water treatment system in the event of a power outage.

For purposes of the public hearing, your Committee made available to the public a proposed H.D. 2 version that deletes the provisions of the bill and inserts new language appropriating emergency funds to address a funding shortfall in the Medicaid program.

The Department of Human Services, Department of Budget and Finance, Hawaii Primary Care Association, 'Ohana Health Plan, Healthcare Association of Hawaii, Hawaii Association of Health Plans, Kaiser Permanente Hawaii, Hawaii Medical Service Association, and AlohaCare testified in support of the proposed H.D. 2.

Your Committee has amended this bill by adopting the language in the proposed H.D. 2, to ensure the availability of the Medicaid program to eligible participants and appropriate payments to healthcare providers. Specifically, this bill, as amended:

- (1) Appropriates \$40,000,000 out of the general fund for fiscal year 2009-2010 for health care payments under program ID HMS 401;
- (2) Appropriates \$80,000,000 out of federal Medicaid funds for fiscal year 2009-2010 for health care payments under program ID HMS 401 as a federal match for state funds; and
- (3) Takes effect upon its approval.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1178, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran, Wooley and Finnegan.

SCRep. 1234-10 Finance on S.B. No. 2534

The purpose of this bill is to:

- (1) Require payment of a bond to a law enforcement agency to be accompanied by a bond filing fee, payable in cash; and

- (2) Require law enforcement agencies to accept cash, surety bonds, and own recognizance bonds when the courts are closed, to allow the prompt discharge of a prisoner from custody or imprisonment.

The Professional Bail Agents of Hawaii and several concerned individuals testified in support of this bill. The Department of Public Safety opposed this measure. The Judiciary and Representative from the Fourth District offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2534, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1235-10 Finance on S.B. No. 2884

The purpose of this bill is to provide employer contribution amounts for Hawaii Employer-Union Health Benefits Trust Fund (EUTF) health benefits plan premiums for plan years 2009-2010 and 2010-2011 for certain public officers and employees. Specifically, this bill funds the employer's EUTF costs for fiscal biennium 2009-2011 of:

- (1) Employees of collective bargaining units (1) and (10); and
- (2) State officers and employees who are excluded from collective bargaining, who belong to the same compensation plans as those officers and employees within collective bargaining units (1) and (10), authorized by Chapter 89C, Hawaii Revised Statutes.

The Department of Budget and Finance and United Public Workers, AFSCME, Local 646, AFL-CIO, offered comments on this bill.

Your Committee has amended this bill by:

- (1) Replacing with unspecified amounts, all dollar amounts for the monthly premium contributions of different EUTF health benefits plans;
- (2) Replacing with unspecified percentages, the percentages of EUTF monthly administrative fees for fiscal years 2008-2009, 2009-2010, and 2010-2011, that must be paid by the employer;
- (3) Replacing with unspecified figures the percentage of monthly premium and administrative fees, and the associated dollar amount, that the employer shall pay per month for each employee-beneficiary enrolled in the EUTF group life insurance plan;
- (4) Replacing with an unspecified percentage, the percentage of the monthly premium amount below which the employer's monthly contribution to EUTF shall be rounded to the nearest cent;
- (5) Deleting examples of the employer's monthly contributions rounded to the nearest cent;
- (6) Changing the effective date to July 1, 2020; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2884, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1236-10 Finance on S.B. No. 2124

The purpose of this bill is to restore the remaining public school instructional days for the 2009-2010 and 2010-2011 school years that would otherwise be lost to furloughs pursuant to a collective bargaining agreement with the Hawaii State Teachers Association (HSTA). Specifically, this bill appropriates funds from the Hawaii Hurricane Relief Fund (HHRF) to the public schools, including a proportionate amount to charter schools, provided that:

- (1) The funds shall only be released upon completion of all negotiations of all parties necessary to execute the restoration of instructional days; and
- (2) The collective bargaining agreement contain a provision to relinquish at least one planning day for every two lost instructional days due to furloughs once the instructional days are restored.

HSTA, the Charter School Administrative Office, and two concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Association of REALTORS; and a concerned individual testified in opposition to this measure. The Office of the Governor and Department of Education (DOE) provided comments.

Hawaii is facing one of the most challenging economic times it has ever faced and these economic conditions have necessitated difficult decisions by the State to balance an already precarious budget. One such decision reached through collective bargaining between the Governor, the Board of Education (BOE), DOE, and HSTA, was to institute furlough days for Hawaii's educational system. As a result of this agreement, Hawaii's keiki have already lost nearly three weeks worth of instructional days during the current school year and are scheduled to lose anywhere from 17 to 21 more days during the next school year.

Your Committee finds that the loss of these instructional days may have a tremendous impact on the youth of our state. It may be devastating to the quality of their education and a loss which may constrain individual achievement and potential. In addition to the effect on our youth, these lost days may have far reaching effects on the prosperity, health, and growth of the entire state for years to come.

Despite the State's economic difficulties and the great need for additional resources in many areas that would benefit the public welfare, the Legislature finds that the education of our youth is of the utmost importance. Accordingly, your Committee feels that appropriating moneys from the Hawaii Hurricane Relief Fund to restore instructional days for the 2009-2010 and 2010-2011 school years that would be lost to furloughs is appropriate and prudent while continuing to recognize the fiscal constraints facing the entire State.

Your Committee finds that as required by the Hawaii Constitution, the Legislature's authority and responsibility is to establish funding priorities that will result in a balanced budget. In our current fiscal climate it is difficult to balance the many needs of the people of Hawaii, but the Legislature has made the educational needs of Hawaii's children a top priority and therefore has appropriated these funds to restore instructional days. In doing so, it is not the intent of the Legislature to become a participant in the collective bargaining process. In fact, the Hawaii Constitution forbids this. The Legislature's role is to reject or approve funding for the cost items agreed to by collective bargaining.

Cognizant of the fact that a supplemental contract agreement was reached and entered into by the BOE and HSTA, on March 31, 2010, your Committee remains concerned with some of the provisions contained in this supplemental agreement. Of particular concern is the provision that states:

"The parties acknowledge that there is the potential for further budget reductions and/or reduced revenue that could result in the need for the employer to implement further cost saving measures subject, when appropriate, to collective bargaining. If the enacted Department of Education budget (approved by the Legislature and signed by the Governor) for the school year 2010-2011 results in reductions greater than those submitted by the Board of Education to the legislature on or about March 22, 2010, the Employer reserves the right to declare this agreement null and void. The Employer shall notify the Union of its decision to declare this agreement null and void no later than July 8, 2010, otherwise the agreement shall be implemented as provided herein."

Implicit in this provision is a threat that furloughs will continue if the Legislature reduces the budget of the DOE more than reductions proposed by the BOE.

Your Committee finds that:

- (1) Funding decisions contained in this bill have no bearing on funding decisions in other bills; and
- (2) Article VII of the Hawaii Constitution clearly delegates the power to appropriate to the Legislature.

One of the basic tenets of our Democratic-Republic is that idea of the separation of powers and responsibilities between the three branches of government. This is a fundamental key to ensuring that our system of checks and balances works. The Legislature, clearly, cannot and must not interfere with the collective bargaining process under Chapter 89, Hawaii Revised Statutes. Likewise, collective bargaining contract provisions cannot and must not interfere with the role of the Legislature in determining appropriation levels for all of state government.

Thus, your Committee notes that the education of our youth is a high priority of the Legislature and that it is clearly within the sole authority of the Legislature to appropriate HHRF moneys for the restoration of instructional days, without condition, and has amended this bill by:

- (1) Clarifying that the funds provided by this measure are to restore an unspecified number of instructional days to the current and for the next school year;
- (2) Deleting language requiring that the collective bargaining agreement reached by the parties contain provisions to relinquish at least one planning day for every two lost instructional days due to furloughs once the instructional days are restored;
- (3) Changing all appropriations in this measure to unspecified sums; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2124, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2124, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1237-10 Finance on S.B. No. 2951

The purpose of this bill is to provide for the viability and efficient management of Hawaii's agriculture industry by:

- (1) Providing for compensation, including for lost crops, when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes; and
- (2) Establishing the Agricultural Inspection and Certification Special Fund to be used for the inspection and certification of agricultural commodities.

The Hawaii Crop Improvement Association; Ka'u Farm and Ranch Co. LLC; and Ka'u Coffee Growers Cooperative testified in support of this bill. The Department of Transportation opposed this measure. The Department of Agriculture; Department of Land and Natural Resources; Department of

Budget and Finance; Hawaii Cattlemen's Council, Inc.; West County Farm Bureau; KK Ranch Inc.; and Hawaii Farm Bureau Federation provided comments.

Your Committee has amended this bill by:

- (1) Inserting a provision to state that the provisions of part I, relating to the compensation to lessees when leased public lands are withdrawn or taken, will not apply if any of the definitions of the part conflict with federal laws that require full compensation from the State Highway Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2951, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2951, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Keith-Agaran and Wooley.

SCRep. 1238-10 Finance on S.B. No. 1141

The purpose of this bill as received is to require the Department of Land and Natural Resources (DLNR) to offer parcels of Sand Island for sale or exchange to leaseholders.

For the purpose of a public hearing, your Committee circulated a proposed H.D. 2 containing provisions that enable the timely and efficient sale and gift of state-owned lands by limiting legislative oversight on these transactions to ceded lands only.

DLNR, the Department of the Attorney General, Hawaii Housing Finance and Development Corporation, Department of Agriculture, and University of Hawaii System testified in support of this bill. The Representative from the Fourth district and a concerned individual opposed this measure.

Your Committee as amended this bill as received by your Committee by:

- (1) Adopting the proposed H.D. 2; and
- (2) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1141, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.
(Representatives C. Lee, Wooley and Ward voted no.)

SCRep. 1239-10 Judiciary on S.B. No. 2169

The purpose of this bill is to protect sharks and the ocean ecosystem by:

- (1) Prohibiting the harvest, possession, sale, trade, transfer, or distribution of a shark or shark parts unless landed whole and harvested under a commercial marine license issued by the Department of Land and Natural Resources (DLNR); and
- (2) Prohibiting the possession, sale, delivery for sale, holding for sale, or offering for sale of any shark fin or shark fin parts under the Hawaii Food, Drug, and Cosmetic Act.

The Office of Hawaiian Affairs, Shark Savers, Oceanic Defense, Conservation Council for Hawaii, The Snorkel Bob Foundation, Shark Safe Network, Hawaii Wildlife Fund, Animal Rights Hawaii, Shark Research Institute, National Wildlife Federation-Pacific Regional Center, Hawaii Audubon Society, The Humane Society of the United States, and numerous concerned individuals testified in support of this bill. A Honolulu County Councilmember and several concerned individuals opposed this measure. DLNR, the Department of Health, Hawaiian Humane Society, Ocean Legends, Hawaii Nearshore Fishermen and several concerned individuals provided comments.

Your Committee finds that, following its initial hearing in this Committee on March 29, 2010, S.B. 2169, S.D. 2, H.D. 2, relating to shark fins, was deferred because the bill in its current form would have unintended consequences, such as:

- (1) Prohibiting scientific research on sharks;
- (2) Preventing aquarium display of sharks;
- (3) Exposing commercial and recreational fishermen to accidental violations of law;
- (4) Killing Chinese cultural traditions; and
- (5) Negatively impacting the restaurant, retail, and wholesale distribution industries.

Additionally, the bill fails to address the continuing legality of existing shark-fin inventory. The policy goals of this bill have already been addressed by Hawaii law, the strongest in the nation on this matter, which prohibits shark finning and mandates fines up to \$15,000 in addition to forfeiture of boats, licenses, and other assets.

Due to impending legislative deadlines, crafting an amendment to S.B. No. 2169, S.D. 2, H.D. 2 was not practicable. Such an amendment would have required obtaining input from all stakeholders and thereafter performing extensive amendments to the current bill language, which, in addition to being improperly drafted, does not achieve the goals of all conservation advocates. Your Committee would like to emphasize that the final bill language must be amenable to all stakeholders or the bill's proponents will have failed in their advocacy and the measure will face difficulty in passage in the 2010 legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2169, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Herkes and McKelvey.

SCRep. 1240-10 Hawaiian Affairs on H.R. No. 227

The purpose of this resolution is to recognize traditional Hawaiian tattooing as an art form.

A concerned individual testified in support of this resolution. The State of Hawaii Department of Health offered comments.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 227 and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Yamane.

SCRep. 1241-10 Hawaiian Affairs on H.R. No. 54

The purpose of this resolution is to express the support of the House of Representatives for, and urge participation in, the 6th Healing Our Spirit Worldwide Gathering in Honolulu, Hawaii, to celebrate indigenous cultures from around the world, focusing on common issues, wise practices, and successes in health, healing, and addictions within indigenous communities.

The Association of Hawaiian Civic Clubs (AHCC), Papa Ola Lokahi, Native Hawaiian Hospitality Association, Native Hawaiian Traditional Healing Center, and several concerned individuals testified in support of this resolution.

Your Committee has amended this resolution by

- (1) Deleting language stating that the AHCC has committed to supporting the 6th gathering through its participation and volunteerism, to acknowledge that many other community organizations are participating, volunteering their time and efforts, and supporting this gathering;
- (2) Deleting language stating that other organizations that work for the benefit of native Hawaiians have also been urged to attend the 6th gathering;
- (3) Inserting language stating that other indigenous peoples from around the world will be attending the 6th Healing Our Spirit Worldwide Gathering;
- (4) Inserting language stating that the Hawaiian culture is rich in healing methods, such as Hawaiian medicinal plants, lomi lomi, ho'oponopono, and the natural healing powers of the sun and sea; and
- (5) Inserting language stating that the 6th Healing Our Spirit Worldwide Gathering provides an opportunity for Hawaii to share its rich Hawaiian and diverse culture.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 54, as amended herein, and recommends that it be referred to the Committee on Tourism, Culture, & International Affairs in the form attached hereto as H.R. No. 54, H.D. 1.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 1242-10 Hawaiian Affairs on H.R. No. 246

The purpose of this resolution is to urge the counties in the State of Hawaii to adopt Native Hawaiian Building codes.

The Office of Hawaiian Affairs testified in support of this resolution. One individual provided testimony in support.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 246 and recommends that it be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Yamane.

SCRep. 1243-10 Hawaiian Affairs on H.R. No. 172

The purpose of this resolution is to request that lo'i be established on the grounds of the state capitol.

Several concerned individuals testified in support of this resolution. The Department of Land and Natural Resources (DLNR) provided comments.

Your Committee has amended this resolution by:

- (1) Changing the agency requested to establish the lo'i from DLNR to the Office of Hawaiian Affairs (OHA);
- (2) Requesting OHA to consult native Hawaiian preservation and education groups and practitioners to devise a plan; and
- (3) Requesting OHA to allow volunteer organizations, taro farmers, and individuals to provide labor to establish and maintain the lo'i.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 172, as amended herein, and recommends that it be referred to the Committee on Water, Land, & Ocean Resources in the form attached hereto as H.R. No. 172, H.D. 1.

Signed by all members of the Committee except Representative Mizuno.

SCRep. 1244-10 Hawaiian Affairs on H.R. No. 251

The purpose of this resolution is to request the Department of Hawaiian Home Lands (DHHL) to revise its present policies and procedures by lowering the blood quantum requirement to 12.5 percent for eligible successors of lessee rights.

The Association of Hawaiian Civic Clubs testified in support of this resolution. A concerned individual opposed this measure. DHHL provided comments.

Your Committee has amended this resolution by:

- (1) Requesting DHHL to explore opportunities to revise its present policies and procedures regarding lowering the blood quantum requirement;
- (2) Changing the title to read, "REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO EXPLORE OPPORTUNITIES TO REVISE ITS PRESENT POLICIES ON MATTERS OF SUCCESSORSHIP"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 251, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 251, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Mizuno and Yamane.

SCRep. 1245-10 Judiciary on S.C.R. No. 38

The purpose of this concurrent resolution is to recommend that the Kapolei Court Complex be named the "Ronald T.Y. Moon Judicial Complex."

A concerned individual testified in support of this concurrent resolution.

Your Committee notes the long standing practice of naming our major public buildings to the glorification of our great native Hawaii ali'i, as evidenced by the fact that the majority of our public buildings have Hawaiian names. Nevertheless, in this special instance this measure seeks to memorialize a living legend and therefore seeks to depart from the common practice.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Herkes, McKelvey, Morita, Souki and Marumoto.

SCRep. 1246-10 Legislative Management on H.R. No. 226

The purpose of this resolution is to ensure the continued protection and maintenance of the Mauna Kea lands by foreign and out-of-state entities that benefit from taxpayer support for the use of these lands by requesting that the University of Hawaii (UH) Board of Regents provide the Legislature with a report of observation viewing time on the telescopes on Mauna Kea as well as other types of state benefits and responsibilities.

UH, the Representative of the 4th Representative District, and Life of the Land supported this resolution. The Royal Order of Kamehameha I, Na Koa Ikaika o Ka Lahui Hawai'i, Sierra Club-Hawaii Chapter, Mauna Kea Anaina Hou, Kahea, and several concerned individuals supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. 226, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1247-10 Legislative Management on H.C.R. No. 311

The purpose of this concurrent resolution is to ensure the continued protection and maintenance of the Mauna Kea lands by foreign and out-of-state entities that benefit from taxpayer support for the use of these lands by requesting that the University of Hawaii (UH) Board of Regents provide the Legislature with a report of observation viewing time on the telescopes on Mauna Kea as well as other types of state benefits and responsibilities.

UH, the Representative of the 4th Representative District, and Life of the Land supported this concurrent resolution. The Royal Order of Kamehameha I, Na Koa Ikaika o Ka Lahui Hawai'i, Sierra Club-Hawaii Chapter, Mauna Kea Anaina Hou, Kahea, and several concerned individuals supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 311, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1248-10 Legislative Management on H.C.R. No. 165

The purpose of this concurrent resolution is to prevent child abuse and neglect and misuse of child support by requesting that the Auditor conduct a program audit of the efficiency and effectiveness of Child Welfare Services in processing and investigating complaints of child abuse and neglect and misuse of child support.

A concerned individual supported this concurrent resolution. The Department of Human Services opposed this measure. A concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1249-10 Legislative Management on H.C.R. No. 319

The purpose of this concurrent resolution is to work to ensure the proper use and maximization of federal and state Medicaid funds provided for home and community-based programs and services by requesting that the Auditor perform a management and financial audit of all community-based programs and services receiving Medicaid funding or subsidizing individuals eligible for Medicaid for:

- (1) The biennium period extending from July 1, 2007, to June 30, 2009; and
- (2) The fiscal year extending from July 1, 2009, to June 30, 2010.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 319 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1250-10 Finance on H.C.R. No. 21

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1593 Papau Street, Kapa'a, Hawaii, TMK No. 4-4-6-38-74, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1251-10 Finance on H.C.R. No. 22

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1951 Pahoehoe Street, Koloa, Hawaii, TMK No. 4-2-8-24-14, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

The Representative of the 4th House District, the Office of Hawaiian Affairs and a concerned individual testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 22 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1252-10 Finance on H.C.R. No. 23

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1098 Onaha Street, Wailuku, Hawaii, TMK No. 2-3-3-16-124, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 23 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1253-10 Finance on H.C.R. No. 24

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 1051 Onaha Street, Wailuku, Hawaii, TMK No. 2-3-3-16-11, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1254-10 Finance on H.C.R. No. 25

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 91-1139 Kamaaha Loop, Kapolei, Hawaii, TMK No. 1-9-1-16-41-0019, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1255-10 Finance on H.C.R. No. 26

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a residence located at 91-1072 Welowelo Street, Kapolei, Hawaii, TMK No. 1-9-1-81-61, to a qualified resident as defined in section 201H-32, Hawaii Revised Statutes. HHFDC obtained this property through use of its rights under its deferred sales price restriction on homes developed under the expedited development process.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 26 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1256-10 Finance on H.C.R. No. 27

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 95-033 Kuahelani Avenue, Mililani, Hawaii, TMK No. 1-9-4-5-34-0033 to its current leasehold owner.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1257-10 Finance on H.C.R. No. 28

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 94-940 Meheula Parkway, Mililani, Hawaii, TMK No. 1-9-4-5-34-0048 to its current leasehold owners.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1258-10 Finance on H.C.R. No. 29

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 95-029 Kuahelani Avenue, Mililani, Hawaii, TMK No. 1-9-4-5-34-0097 to its current leasehold owner.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 29 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1259-10 Finance on H.C.R. No. 30

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased fee interest in a residence located at 95-021 Kuahelani Avenue, Mililani, Hawaii, TMK No. 1-9-4-5-34-0136 to its current leasehold owner.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 30 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1260-10 Finance on H.C.R. No. 31

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009 to sell certain state land. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell the leased in fee interest in a residence located at 2949 Ala Ilima Street #201, Honolulu, Hawaii, TMK No. 1-1-1-61-2-0001 to its current leasehold owner.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1261-10 Finance on H.C.R. No. 32

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple the Northwest Corner Parcel, a 26.617 acre parcel of vacant, non-ceded land formerly owned by the Estate of James Campbell, located in Kapolei, Hawaii, TMK No. 1-9-1-016:35. HHFDC intends to solicit development proposals from reputable developers for residential and mixed use developments. Any residential component would primarily consist of affordable housing units.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 32 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1262-10 Finance on H.C.R. No. 33

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple a parcel of vacant, non-ceded land formerly owned by the Estate of James Campbell, located in Village 8 of the Villages of Kapolei, Kapolei, Hawaii, TMK No. 1-9-1-016:88. HHFDC intends to solicit development proposals from reputable developers for residential and mixed use developments. Any residential component would primarily consist of affordable housing units.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1263-10 Finance on H.C.R. No. 34

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple Kekuiani Village 4, that consists of 35 non-ceded, single-family cluster lots, including shared driveways, in Kapolei, Hawaii, TMK Nos. 1-9-1-79:01 to 35 and TMK Nos. 1-9-1-79:129 to 134. HHFDC selected Castle and Cooke Homes Hawaii, Inc. (CCHHI) as the developer of the properties. On March 8, 2007, HHFDC executed an agreement with CCHHI to develop 35 single-family cluster homes to be sold at or below one hundred forty percent of the area median income.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1264-10 Finance on H.C.R. No. 36

The purpose of this concurrent resolution is to approve the sale of certain state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Hawaii Housing and Finance Development Corporation (HHFDC) seeks to sell in fee simple two vacant, non-ceded parcels in Hokelele, Kaneohe, Hawaii, TMK Nos. 1-4-5-23-11 and 1-4-5-23-12. The parcels of land are the remainder of the larger Hokelele development, located partly under H-3 Freeway and are irregular in shape, making the parcels unsuitable for more extensive development plans. HHFDC intends to reserve the right to transfer a portion or all of the parcels located under the H-3 Freeway to the Department of Transportation.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1265-10 Finance on H.C.R. No. 44

The purpose of this concurrent resolution is to approve the sale of state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to sell state reclaimed land identified as TMK No. (1) 4-7-24: seaward of 29, Kaalaea, Koolaupoko, Oahu.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1266-10 Finance on H.C.R. No. 45

Your Committee finds that the Board of Land and Natural resources has approved the conveyance, and the public informational briefing was duly conducted on the sale of this land. Your Committee further finds that the proposed sale will facilitate the City and County of Honolulu to maintain the beach right-of-way to the shoreline in perpetuity.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1267-10 Finance on H.C.R. No. 46

The purpose of this concurrent resolution is to approve the sale of state land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to issue a deed or land patent grant conveying fee simple title to state land previously auctioned at public auction by DLNR, identified as TMK No. (4) 1-9-10:50, located in Hanapepe, Waimea, Kauai.

The Representative of the 4th House District and the Office of Hawaiian Affairs testified in opposition. The Hawaii Housing Finance and Development Corporation, the Department of Land and Natural Resources, and a concerned individual testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1268-10 Finance on H.C.R. No. 47

The purpose of this concurrent resolution is to approve a development project on certain state lands pursuant to section 171-60, Hawaii Revised Statutes. Specifically, the Department of Land and Natural Resources seeks to lease approximately 20 acres of public lands at the Keehi Industrial Lots, Oahu, TMK No. (1) 1-2-23: (various parcels), by negotiation and without recourse to public auction, to a private developer or enter into a development agreement for the development and subdivision of lands as a leasehold project for various uses, including industrial, commercial, or business uses.

The Department of Transportation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1269-10 Finance on H.C.R. No. 292

The purpose of this concurrent resolution is to more efficiently and effectively maintain state recreation areas by requesting that the Department of Land and Natural Resources (DLNR) and the County of Hawaii to provide a report and supporting documentation for the transfer of the Mauna Kea State Recreation Area and the Hupuna Beach State Recreation Area to the County of Hawaii.

DLNR does not support the concurrent resolution in its present form. The County of Hawai'i office of the Mayor is in strong support of this concurrent resolution. The Representative of the 4th House District offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 292, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1270-10 Finance on H.C.R. No. 316

The purpose of this concurrent resolution is to approve the fee simple sale of state land pursuant to Act 176, Session Laws of Hawaii 2009 (Act 176). Specifically, the University of Hawaii (UH) seeks to sell non-ceded lands in Kapolei donated to UH by the Campbell Estate to build the UH-West Oahu campus to meet the condition running with the land that construction of the campus commence by December 31, 2011.

The Representative of the 4th House District testified in opposition to this concurrent resolution. The University of Hawaii – West Oahu testified in support of this concurrent resolution. The Office of Hawaiian Affairs offered comments on this concurrent resolution.

Your Committee finds that an appraisal is currently being conducted as to the subject land. However, as the subject land is currently in negotiations for the sale, the State is prohibited from disclosing the information until that process is completed. Therefore, the intent of your Committees is to have the appraisal information required under Act 176 inserted into this concurrent resolution at the appropriate time, once it becomes available.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 316, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1271-10 Finance on H.C.R. No. 320

The purpose of this concurrent resolution is to approve the exchange of public land for private land pursuant to Act 176, Session Laws of Hawaii 2009. Specifically, the Department of Land and Natural Resources (DLNR) seeks to convey to the Aloha Council Boy Scouts of America state land identified as TMK No. (1) 5-9-05:77, to correct the inadvertent omission of the parcel from the 2004 recorded conveyance documents, and to do so consistent with section 171-50, Hawaii Revised Statutes, as amended in 2009, which requires a copy of the resolution to be submitted to the Office of Hawaiian Affairs.

DLNR, the Boy Scouts of America, and several individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 320 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino, C. Lee and Ward.

SCRep. 1272-10 Legislative Management on H.C.R. No. 155

The purpose of this concurrent resolution is to continue to find ways to support family caregivers who provide unpaid, informal assistance to the elderly with physical or cognitive disabilities. This measure requests authorization for the Joint Legislative Committee on Aging in Place to continue to carry out its work until June 30, 2012.

AARP Hawaii, the Hawaii Chapter–American Physical Therapy Association, ILWU Local 142, Occupational Therapy Association of Hawaii, the Policy Advisory Board for Elder Affairs, and several concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 1273-10 Legislative Management on H.C.R. No. 50

The purpose of this concurrent resolution is to begin to address the many concerns regarding the operations of the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources (DLNR). This measure requests the convening of a one-day summit for the healing and creation of positive change for SHPD.

DLNR testified in support of this measure with amendments.

Your Committee has amended this concurrent resolution by:

- (1) Deleting references to the summit being a one-day event by, among other things, changing the title of this concurrent resolution to read, "REQUESTING A SUMMIT FOR THE HEALING AND CREATION OF POSITIVE CHANGE FOR THE STATE HISTORIC PRESERVATION DIVISION OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES";
- (2) Charging SHPD to convene the summit;
- (3) Removing individuals from the list of participants and allowing SHPD to expand the list of invited organizations;

- (4) Specifying that the summit be open to the general public and that the proceedings as well as work products be subject to the requirements of Hawaii's sunshine law (chapter 92, Hawaii Revised Statutes);
- (5) Requesting SHPD to submit a report on the completed summit by January 15, 2011, as well as a summary of its progress in meeting the National Park Service's (NPS) mandated corrective actions; and in the event that a summit does not take place, requesting that SHPD submit a status report on its efforts to plan a summit as well as a summary of its progress in meeting NPS's mandated corrective actions no later than twenty days prior to the convening of the regular session of 2011; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 50, H.D. 2.

Signed by all members of the Committee.

SCRep. 1274-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 140

The purpose of this resolution is to maintain the independence and competitiveness of Hawaii's newspaper press by urging Oahu Publications, Inc. (OPI), to continue publication of the Honolulu Star-Bulletin or provide sufficient time to find a qualified buyer for the newspaper.

ILWU Local 142, Media Council of Hawaii, and several concerned individuals supported this measure. A concerned individual opposed this measure.

Your Committee heard testimony that OPI is not offering a viable commercial entity for sale because Midweek, which contains the newest printing press, is not being sold along with the Star-Bulletin. There was also testimony that at least 120 days is needed for a legitimate sale. In addition, your Committee was told that the Department of Justice is being asked to look at the economic, and advertising restraint of trade issues that will result if the Star-Bulletin does not continue publication, and Midweek and the Honolulu Advertiser are combined under a single corporate entity.

Your Committee finds that all efforts should be made to continue publication of the Honolulu Star-Bulletin, which is an essential source of the well-founded discussion and commentary that are the life blood of a democratic society, and that shape and improve our community.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 140 and recommends its adoption.

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

SCRep. 1275-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 209

The purpose of this concurrent resolution is to maintain the independence and competitiveness of Hawaii's newspaper press by urging Oahu Publications, Inc. (OPI), to continue publication of the Honolulu Star-Bulletin or provide sufficient time to find a qualified buyer for the newspaper.

ILWU Local 142, Media Council of Hawaii, and several concerned individuals supported this measure. A concerned individual opposed this measure.

Your Committee heard testimony that OPI is not offering a viable commercial entity for sale because Midweek, which contains the newest printing press, is not being sold along with the Star-Bulletin. There was also testimony that at least 120 days is needed for a legitimate sale. In addition, your Committee was told that the Department of Justice is being asked to look at the economic, and advertising restraint of trade issues that will result if the Star-Bulletin does not continue publication, and Midweek and the Honolulu Advertiser are combined under a single corporate entity.

Your Committee finds that all efforts should be made to continue publication of the Honolulu Star-Bulletin, which is an essential source of the well-founded discussion and commentary that are the life blood of a democratic society, and that shape and improve our community.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 209 and recommends its adoption.

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

SCRep. 1276-10 Economic Revitalization, Business, & Military Affairs on H.R. No. 165

The purpose of this resolution is to protect the public from the health hazards of decabromodiphenyl ether (decaBDE) by supporting the phase out of production and importation of decaBDE and other polybrominated diphenyl ethers in the United States.

Capitol Consultants of Hawaii, LLP, and the Alliance of Automobile Manufacturers commented on this measure.

Based on animal studies, the possible health effects of decaBDE in humans involve the liver, thyroid, reproductive or developmental effects, and neurological effects.

Your Committee has amended this resolution by:

- (1) Removing references to all other polybrominated diphenyl ethers;
- (2) Changing the title to read: "SUPPORTING THE PHASE OUT OF PRODUCTION AND IMPORTATION OF DECA-BROMODIPHENYL ETHER IN THE UNITED STATES";
- (3) Resolving that a copy of this resolution be transmitted to the International Association of Fire Fighters; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 165, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 165, H.D. 2.

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

SCRep. 1277-10 Economic Revitalization, Business, & Military Affairs on H.C.R. No. 235

The purpose of this concurrent resolution is to protect the public from the health hazards of decabromodiphenyl ether (decaBDE) by supporting the phase out of production and importation of decaBDE and other polybrominated diphenyl ethers in the United States.

Capitol Consultants of Hawaii, LLP, and the Alliance of Automobile Manufacturers commented on this measure.

Based on animal studies, the possible health effects of decaBDE in humans involve the liver, thyroid, reproductive or developmental effects, and neurological effects.

Your Committee has amended this concurrent resolution by:

- (1) Removing references to all other polybrominated diphenyl ethers;
- (2) Changing the title to read: "SUPPORTING THE PHASE OUT OF PRODUCTION AND IMPORTATION OF DECA-BROMODIPHENYL ETHER IN THE UNITED STATES";
- (3) Resolving that a copy of this concurrent resolution be transmitted to the International Association of Fire Fighters; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 235, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 235, H.D. 2.

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

SCRep. 1278-10 Finance on H.R. No. 142

The purpose of this resolution is to request Governor Lingle to direct the placement of a commemorative plaque to be funded by the Korean community on the grounds of Washington Place.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 142 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1279-10 Finance on H.C.R. No. 212

The purpose of this concurrent resolution is to request Governor Lingle to direct the placement of a commemorative plaque to be funded by the Korean community on the grounds of Washington Place.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 212 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1280-10 Finance on H.C.R. No. 86

The purpose of this concurrent resolution is to urge the County of Kaua'i to design and construct a new Lawa'i Beach Road that restores the natural flow of water from the historic fishpond to the shoreline while maintaining appropriate access for park visitors.

Testimony in support of this concurrent resolution was received by the Royal Order of Kamehameha I and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1281-10 Finance on H.C.R. No. 182

The purpose of this concurrent resolution is to urge the Board of Land and Natural Resources to offer leases of public land located in Koke'e State Park through a public lottery system.

The Koke'e State Park Advisory Council testified in support of this concurrent resolution. The Department of Land and Natural Resources provided comments on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 182 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1282-10 Finance on H.C.R. No. 216

The purpose of this concurrent resolution is to express the Legislature's support for Hawaii to pursue the bid to host the 2016 IUCN WCC.

Testimony supporting this concurrent resolution was received from the Nature Conservancy, National Tropical Botanical Garden, and several individuals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 216 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1283-10 Finance on H.C.R. No. 237

The purpose of this concurrent resolution is to expand monitoring of economic stimulus funding available to Hawai'i.

The Healthcare Association of Hawaii testified in support of this concurrent resolution. The Chair of the Economic Stimulus Oversight Commission provided comments on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 237 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1284-10 Finance on H.C.R. No. 15

The purpose of this concurrent resolution is to request the University of Hawaii (UH) Center on Aging to convene a Hawaii State Fall Prevention Task Force (Task Force) to develop a statewide approach to reducing falls among older adults.

Upon further consideration, your Committee has amended this concurrent resolution to require the Task Force to submit any proposals for legislation to the Legislative Reference Bureau by November 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 15, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 15, H.D. 2.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1285-10 Finance on H.C.R. No. 129

The purpose of this concurrent resolution is to request the Department of Education and the University of Hawaii to establish a working group to develop a comprehensive policy to improve awareness of and strengthen support for persons with dyslexia.

Upon further consideration, your Committee has amended this concurrent resolution to require the working group to submit any proposals for legislation to the Legislative Reference Bureau by November 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 129, H.D. 2.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1286-10 Finance on H.C.R. No. 199

Your Committee on Finance conducted a public hearing on a proposed draft of this concurrent resolution, deleting its current contents, and inserting language requesting the Department of Human Services to consider certain factors before entering into contracts with managed care organizations that provide Medicaid benefits under QUEST managed care plans.

Upon further consideration, your Committee has adopted the provisions of the proposed draft of this concurrent resolution, and conformed its title to reflect its new contents.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 199, H.D. 1.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1287-10 Finance on H.R. No. 7

The purpose of this resolution is to extend the deadline for the Home for Life Task force to report on its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 7 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1288-10 Finance on H.C.R. No. 13

The purpose of this concurrent resolution is to extend the deadline for the Home for Life Task force to report on its findings and recommendations for reducing barriers to aging in place and facilitating multigenerational living.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 13 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1289-10 Finance on H.R. No. 10

The purpose of this resolution is to request the Department of Human Services (DHS) to create a database resource website to house real-time availability of all juvenile services for their placement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 10 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1290-10 Finance on H.C.R. No. 19

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to create a database resource website to house real-time availability of all juvenile services for their placement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1291-10 Finance on H.R. No. 21

The purpose of this resolution is to request the Auditor to conduct a financial and management audit of CSEA.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 21 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1292-10 Finance on H.C.R. No. 61

The purpose of this concurrent resolution is to request the auditor to conduct a financial and management audit of the CSEA.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1293-10 Finance on H.R. No. 53

The purpose of this resolution is to request the County of Maui in conjunction with the Department of Transportation, to conduct a feasibility study to determine the cost and steps needed to construct a fixed-rail system of transportation connecting the Kahului-Wailuku area, Kihei, and Lahaina on the island of Maui.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1294-10 Finance on H.C.R. No. 101

The purpose of this concurrent resolution is to request the County of Maui in conjunction with the Department of Transportation, to conduct a feasibility study to determine the cost and steps needed to construct a fixed-rail system of transportation connecting the Kahului-Wailuku area, Kihei, and Lahaina on the island of Maui.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1295-10 Finance on H.C.R. No. 17

The purpose of this concurrent resolution is to support the University of Hawaii at Hilo College of Pharmacy's application to receive a federally funded Beacon community grant.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1296-10 Finance on H.C.R. No. 56

The purpose of this concurrent resolution is to request a financial and management audit of the Department of Education.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1297-10 Finance on H.R. No. 62

The purpose of this resolution is to assist homeless persons by urging the Hawaii Public Housing Authority to establish homeless safe zones to provide a reasonably safe area for those without permanent housing to spend the night.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 62, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1298-10 Finance on H.C.R. No. 114

The purpose of this concurrent resolution is to assist homeless persons by urging the Hawaii Public Housing Authority to establish homeless safe zones to provide a reasonably safe area for those without permanent housing to spend the night.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1299-10 Finance on H.R. No. 63

The purpose of this resolution is to help address community health and safety concerns by requesting relevant state and county departments to develop a plan to resolve issues related to homeless individuals living in abandoned vehicles.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1300-10 Finance on H.C.R. No. 115

The purpose of this concurrent resolution is to help address community health and safety concerns by requesting relevant state and county departments to develop a plan to resolve issues related to homeless individuals living in abandoned vehicles.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1301-10 Finance on H.R. No. 65

The purpose of this resolution is to request and support congressional and state funding for broadband infrastructure in rural areas from the federal stimulus grants authorized by the American Recovery and Reinvestment Act of 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 65 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1302-10 Finance on H.C.R. No. 117

The purpose of this concurrent resolution is to request and support congressional and state funding for broadband infrastructure in rural areas from the federal stimulus grants authorized by the American Recovery and Reinvestment Act of 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1303-10 Finance on H.R. No. 100

The purpose of this resolution is to urge the Department of Public Safety (PSD) to make its existing program for preparing soon-to-be-released parents to deal with life issues mandatory.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 100 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1304-10 Finance on H.C.R. No. 162

The purpose of this concurrent resolution is to urge the Department of Public Safety (PSD) to make its existing program for preparing soon-to-be-released parents to deal with life issues mandatory.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 162 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1305-10 Finance on H.C.R. No. 123

The purpose of this concurrent resolution is to request the state to work to explore and promote opportunities to expand and diversify aerospace-related activities in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1306-10 Finance on H.C.R. No. 166

The purpose of this concurrent resolution is to request the Hawaii Tourism Authority (HTA), in collaboration with the Hawaii Boxing Commission, to conduct a study to determine the feasibility of bringing world-class boxing events to Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1307-10 Finance on H.R. No. 102

The purpose of this resolution is to request the Hawaii Tourism Authority (HTA), in collaboration with the Hawaii Boxing Commission, to conduct a study to determine the feasibility of bringing world-class boxing events to Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1308-10 Finance on H.R. No. 84

The purpose of this resolution is to urge the Department of Labor and Industrial Relations to meet or exceed occupational safety and health administration position benchmarks for workplace safety and health.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 84 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1309-10 Finance on H.C.R. No. 145

The purpose of this resolution is to urge the Department of Labor and Industrial Relations to meet or exceed occupational safety and health administration position benchmarks for workplace safety and health.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 145 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1310-10 Finance on H.R. No. 96

The purpose of this resolution is to urge the Department of Human Services (DHS), in consultation with the Department of Health (DOH), to develop a program to encourage breastfeeding among Medicaid recipients.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1311-10 Finance on H.C.R. No. 158

The purpose of this concurrent resolution is to urge the Department of Human Services (DHS), in consultation with the Department of Health (DOH), to develop a program to encourage breastfeeding among Medicaid recipients.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1312-10 Finance on H.R. No. 98

The purpose of this resolution is to request the Center for Nursing to study the need and resources necessary for the establishment of a continuing education program for nurses and to report its findings to the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 98, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1313-10 Finance on H.C.R. No. 160

The purpose of this concurrent resolution is to request the Center for Nursing to study the need and resources necessary for the establishment of a continuing education program for nurses and to report its findings to the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1314-10 Finance on H.R. No. 103

The purpose of this resolution is to request the Board of Education (BOE) to adopt a policy for the integration of a pedagogy of aloha in public schools for improved learning in the 21st century.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 103, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1315-10 Finance on H.C.R. No. 167

The purpose of this concurrent resolution is to request the Board of Education (BOE) to adopt a policy for the integration of a pedagogy of aloha in public schools for improved learning in the 21st century.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1316-10 Finance on H.C.R. No. 139

The purpose of this concurrent resolution is to honor and remember those who have lost their lives in the line of duty by requesting the Department of Accounting and General Services (DAGS) to work with the Hawaii Law Enforcement Memorial Foundation (HLEMF), the County Police Departments, the Department of Public Safety (PSD), the United States Marshal for the District of Hawaii, the State of Hawaii Organization of Police Officers (SHOPO), and the Concerns of Police Survivors Incorporated, to plan and construct a Hawaii state law enforcement memorial.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1317-10 Finance on H.C.R. No. 161

The purpose of this concurrent resolution is to request the Department of Transportation to conduct a study in conjunction with the Honolulu Department of Transportation Services of morning traffic congestion on the Meheula Parkway.

Your Committee on Finance conducted a public hearing on a proposed draft of this concurrent resolution, deleting its current contents, and inserting language requesting Castle & Cooke Hawaii, Inc. to release land designated for the operational development of the Oahu Arts Center.

Testimony in support of this concurrent resolution was received from the State Representative of the 37th District, Schnitzer Steel Hawaii Corp., Pas De Deux Performing Arts Center, Hawaii Carpenters Union, several members of Neighborhood Board No. 25, numerous concerned individuals, and several students. Testimony in opposition to this concurrent resolution was received from Castle & Cooke Hawaii, Inc. and the Chair of Neighborhood Board No. 35.

Upon further consideration, your Committee has amended the proposed concurrent resolution by:

- (1) Requesting Castle & Cooke Hawaii, Inc. to work with the Oahu Arts Center and the community to secure an appropriate site for an arts center;
- (2) Changing the title of the concurrent resolution to conform to the new purpose; and
- (3) Making a clarifying amendment.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 161, H.D. 1.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1318-10 Finance on H.C.R. No. 181

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to develop a plan to redirect storm water runoff from state lands adjacent to the Hanapepe Salt Ponds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 181, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1319-10 Finance on H.C.R. No. 173

The purpose of this concurrent resolution is to request the National Disaster Preparedness Training Center at the University of Hawaii at Manoa to prepare a report on the Hawaii Civil Defense Division's preparedness response to the February 2010 tsunami threat.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1320-10 Finance on H.C.R. No. 187

The purpose of this concurrent resolution is to reduce recidivism by requesting the Hawaii Paroling Authority (HPA) to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE, to be called the Hope Parole Pilot program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1321-10 Finance on H.R. No. 105

The purpose of this resolution is honor the sacrifices of members of the Armed Forces in preserving the nation's liberties by requesting the Office of Veterans' Services (OVS), Department of Accounting and General Services, and Department of Defense (DOD) to develop a plan to create memorials to the veterans of the Persian Gulf War and Afghanistan-Iraq War and to women veterans of World War II on the grounds of the State Capitol near the Korean and Vietnam War Memorial.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 105, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1322-10 Finance on H.C.R. No. 169

The purpose of this concurrent resolution is honor the sacrifices of members of the Armed Forces in preserving the nation's liberties by requesting the Office of Veterans' Services (OVS), Department of Accounting and General Services, and Department of Defense (DOD) to develop a plan to create memorials to the veterans of the Persian Gulf War and Afghanistan-Iraq War and to women veterans of World War II on the grounds of the State Capitol near the Korean and Vietnam War Memorial.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 169, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1323-10 Finance on H.R. No. 109

The purpose of this resolution is to help provide access for the people of Hawaii to documents, records, and artifacts of the first United States President from Hawaii by urging President Barack Obama to select a location in Hawaii as the site for his presidential library.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 109 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1324-10 Finance on H.C.R. No. 174

The purpose of this concurrent resolution is to help provide access for the people of Hawaii to documents, records, and artifacts of the first United States President from Hawaii by urging President Barack Obama to select a location in Hawaii as the site for his presidential library.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1325-10 Finance on H.R. No. 119

The purpose of this resolution is to request the Legislature to convene an investigatory public hearing to:

- (1) Investigate policies and practices of various state and county agencies' permitting, approvals, and decisions that affect the availability of water for agriculture and maintenance of agricultural irrigation systems; and
- (2) Identify any statutory or other amendments that may be necessary to promote and meet the objectives of the biosecurity program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 119, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1326-10 Finance on H.C.R. No. 184

The purpose of this concurrent resolution is to request the Legislature to convene an investigatory public hearing to:

- (1) Investigate policies and practices of various state and county agencies' permitting, approvals, and decisions that affect the availability of water for agriculture and maintenance of agricultural irrigation systems; and
- (2) Identify any statutory or other amendments that may be necessary to promote and meet the objectives of the biosecurity program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 184, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1327-10 Finance on H.R. No. 120

The purpose of this resolution is to reduce recidivism by requesting the Hawaii Paroling Authority (HPA) to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement, or HOPE, to be called the Hope Parole Pilot program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 120 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1328-10 Finance on H.R. No. 123

The purpose of this resolution is to urge the Department of Public Safety and the Department of Defense (DOD) to find alternative locations for the National Guard Hawaii Youth Challenge Program instead of the Kulani Correctional Facility.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 123 and recommends its adoption.

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

SCRep. 1329-10 Finance on H.C.R. No. 190

The purpose of this concurrent resolution is to urge the Department of Public Safety and the Department of Defense (DOD) to find alternative locations for the National Guard Hawaii Youth Challenge Program instead of the Kulani Correctional Facility.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 190 and recommends its adoption.

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

SCRep. 1330-10 Finance on H.R. No. 153

The purpose of this resolution is to support the activities of the Natural Energy Laboratory of Hawaii Authority (NELHA) as an incubator for research, and the commercialization of clean and renewable energy, high technology, and economic development in the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1331-10 Finance on H.C.R. No. 224

The purpose of this concurrent resolution is to support the activities of the Natural Energy Laboratory of Hawaii Authority (NELHA) as an incubator for research, and the commercialization of clean and renewable energy, high technology, and economic development in the State.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 224 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1332-10 Finance on H.R. No. 209

The purpose of this resolution is to request the Department of Accounting and General Services, the Administrator of the State Procurement Office, the University of Hawaii Procurement Institute, the High Technology Development Corporation, and other interested parties to form a working group to develop a strategy to attract and retain local energy service companies to perform work on state contracts.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 209, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1333-10 Finance on H.C.R. No. 288

The purpose of this concurrent resolution is to request the Department of Accounting and General Services, the Administrator of the State Procurement Office, the University of Hawaii Procurement Institute, the High Technology Development Corporation, and other interested parties to form a working group to develop a strategy to attract and retain local energy service companies to perform work on state contracts.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 288, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1334-10 Finance on H.R. No. 184

The purpose of this resolution is to request the Department of Human Services (DHS) to examine and evaluate allegations of shortcomings of programs for adults with special needs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1335-10 Finance on H.C.R. No. 256

The purpose of this concurrent resolution is to request the Department of Human Services to examine and evaluate allegations of shortcomings of programs for adults with special needs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 256 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1336-10 Finance on H.C.R. No. 200

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the feasibility of establishing a state-owned bank in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200 and recommends its adoption.

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

SCRep. 1337-10 Finance on H.R. No. 134

The purpose of this resolution is to request the State Department of Transportation to determine the feasibility of establishing and using a solar powered highway lighting system along Hawaii's highways.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 134 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1338-10 Finance on H.C.R. No. 206

The purpose of this concurrent resolution is to request the State Department of Transportation to determine the feasibility of establishing and using a solar powered highway lighting system along Hawaii's highways.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1339-10 Finance on H.R. No. 214

The purpose of this resolution is to urge Google Inc. to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1340-10 Finance on H.C.R. No. 297

The purpose of this concurrent resolution is to urge Google Inc. to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 297 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1341-10 Finance on H.C.R. No. 223

The purpose of this concurrent resolution is to create an alternate evacuation route for residents of the leeward coast by requesting the Legislative Reference Bureau to conduct a study on the feasibility of using Lualualei Navel Road as an evacuation route in the event of an emergency or natural disaster.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 223, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1342-10 Finance on H.C.R. No. 262

The purpose of this concurrent resolution is to help provide more effective services to homeless populations on Leeward Oahu by requesting the establishment of the Waianae Coast Homelessness Task Force to develop a comprehensive plan to address the needs of the homeless and those at-risk of becoming homeless.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 262, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1343-10 Finance on H.C.R. No. 284

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to undertake planning activities with respect to a new stadium on Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 284 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1344-10 Finance on H.C.R. No. 289

The purpose of this concurrent resolution is to request state public entities to commit to healthier and more nutritious meals by spending ten percent of their food dollars for locally-produced produce or other Hawaii agricultural products.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 289, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1345-10 Finance on H.C.R. No. 296

The purpose of this concurrent resolution is to support Hawaii's small businesses by urging the Governor to adequately fund the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 296 and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1346-10 Finance on H.C.R. No. 298

The purpose of this concurrent resolution is to request the High Technology Innovation Corporation (HTIC) to establish an energy innovation award for patentable technologies that create significant energy savings for Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 298, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1347-10 Finance on H.R. No. 215

The purpose of this resolution is to request the High Technology Innovation Corporation (HTIC) to establish an energy innovation award for patentable technologies that create significant energy savings for Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 215, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1348-10 Finance on S.C.R. No. 178

The purpose of this concurrent resolution is to urge HHSC to accept medical student rotations from Hawaii-based medical schools.

Several individual doctors and medical students provided testimony in support of this concurrent resolution. The Hawaii Health Systems Corporation provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 178, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1349-10 Judiciary on H.R. No. 200

The purpose of this resolution is to request the Chief Justice of the Hawaii Supreme Court to convene a committee to identify at which point veterans and returning reservists and National Guard members enter the justice system, and how best to address their needs, including developing a veterans court.

The Office of Veterans Services, Department of Defense, City and County of Honolulu Department of the Prosecuting Attorney, The Chamber of Commerce of Hawaii, Military Officers Association of America – Hawaii Chapter, and several concerned individuals supported this resolution. The Judiciary and Oahu Veterans Council supported the intent of this measure.

Your Committee has amended this resolution by:

- (1) Changing the title to read, "REQUESTING THE CHIEF JUSTICE OF THE HAWAII SUPREME COURT TO CONVENE A COMMITTEE TO IDENTIFY AT WHICH POINT VETERANS AND ACTIVE DUTY MILITARY PERSONNEL AND RETURNING RESERVISTS AND NATIONAL GUARD MEMBERS ENTER THE JUSTICE SYSTEM, AND HOW BEST TO ADDRESS THEIR NEEDS, INCLUDING DEVELOPING A VETERANS COURT";
- (2) Describing the composition of the committee to include judges and representatives of the City and County of Honolulu Prosecuting Attorney, Public Defender, the Hawaii Armed Forces, and veterans;
- (3) Requesting the Chief Justice to submit a report of the committee's findings and recommendations, including any suggested legislation, no later than 20 days prior to the convening of the 2011 Regular Session;
- (4) Adding the United States Secretary of Veterans Affairs and each member of Hawaii's Congressional delegation to the list of recipients of the resolution; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 200, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 200, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno, B. Oshiro, Wakai, Marumoto and Thielen.

SCRep. 1350-10 Judiciary on H.C.R. No. 278

The purpose of this concurrent resolution is to request the Chief Justice of the Hawaii Supreme Court to convene a committee to identify at which point veterans and returning reservists and National Guard members enter the justice system, and how best to address their needs, including developing a veterans court.

The Office of Veterans Services, Department of Defense, City and County of Honolulu Department of the Prosecuting Attorney, The Chamber of Commerce of Hawaii, Military Officers Association of America – Hawaii Chapter, and several concerned individuals supported this concurrent resolution. The Judiciary and Oahu Veterans Council supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to read, "REQUESTING THE CHIEF JUSTICE OF THE HAWAII SUPREME COURT TO CONVENE A COMMITTEE TO IDENTIFY AT WHICH POINT VETERANS AND ACTIVE DUTY MILITARY PERSONNEL AND RETURNING RESERVISTS AND NATIONAL GUARD MEMBERS ENTER THE JUSTICE SYSTEM, AND HOW BEST TO ADDRESS THEIR NEEDS, INCLUDING DEVELOPING A VETERANS COURT";
- (2) Describing the composition of the committee to include judges and representatives of the City and County of Honolulu Prosecuting Attorney, Public Defender, the Hawaii Armed Forces, and veterans;
- (3) Requesting the Chief Justice to submit a report of the committee's findings and recommendations, including any suggested legislation, no later than 20 days prior to the convening of the 2011 Regular Session;
- (4) Adding the United States Secretary of Veterans Affairs and each member of Hawaii's Congressional delegation to the list of recipients of the concurrent resolution; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 278, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno, B. Oshiro, Wakai, Marumoto and Thielen.

SCRep. 1351-10 Judiciary on H.C.R. No. 282

The purpose of this concurrent resolution is to work toward improving the elections process by requesting Congress to take immediate action to redefine the term "corporate entity" to preclude the use of the term "person" in its definition.

The League of Women Voters of Hawaii; Conservation Council for Hawaii; Hawaii Teamsters and Allied Workers, Local 996; Americans for Democratic Action Hawaii; Progressive Democrats of Hawaii; Common Cause Hawaii; Democratic Party of Hawaii; and several concerned individuals testified in support of this measure. A concerned individual provided comments.

Your Committee finds that a recent Supreme Court ruling overturned vital protections for elections that restricted campaign spending by corporations and labor unions and that this measure is an attempt to address this issue. However, your Committee further finds that the present language of this measure does not adequately state this position.

Accordingly, your Committee has amended this measure by deleting its substance and replacing it with language that requests the United States Congress to propose, and send to the states for ratification, a constitutional amendment to clarify the distinction between the rights of natural persons and the rights of corporations, thereby preserving the power of Congress and the States to place limits on the ability of corporations to influence the outcome of elections through political expenditures.

Your Committee has also amended this measure by:

- (1) Changing the title to read, "REQUESTING CONGRESS TO PROPOSE AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES TO PERMIT CONGRESS AND THE STATES TO REGULATE THE EXPENDITURE OF FUNDS BY CORPORATIONS ENGAGING IN POLITICAL SPEECH"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your committee notes that the term "corporations," as used in this concurrent resolution, is intended to encompass all types of legal entities that are not natural persons and that seek to influence the political process, including:

- (1) For-profit corporations;
- (2) Nonprofit organizations;
- (3) Religious organizations, such as churches;
- (4) Labor unions;
- (5) Partnerships; and
- (6) Limited liability companies.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 282, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno, B. Oshiro, Wakai, Marumoto and Thielen.

SCRep. 1352-10 Judiciary on S.B. No. 2121

The purpose of this bill is to encourage participation in Early Learning Council (Council) meetings by all members by authorizing the Council to conduct meetings by teleconference and to set quorum, public notice, participation, and voting requirements for Council meetings by teleconference.

No testimony was received for this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2121 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Mizuno, B. Oshiro, Wakai, Marumoto and Thielen.

SCRep. 1353-10 Housing on S.C.R. No. 117

The purpose of this concurrent resolution is to encourage the development of cost-effective housing by declaring the Legislature's support for the building of modular and factory manufactured homes in Hawaii.

Americans for Democratic Action Hawaii and a concerned individual testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 117, S.D. 1, and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Chang, Chong, Har, C. Lee and Morita.

SCRep. 1354-10 Housing on S.C.R. No. 206

The purpose of this concurrent resolution is to help provide more effective services to homeless populations in Leeward Oahu by requesting the establishment of the Waianae Coast Homelessness Task Force to develop a comprehensive plan to address the needs of the homeless and those at risk of becoming homeless.

Waianae Community Outreach and several concerned individuals testified in support of this concurrent resolution. The University of Hawaii System provided comments.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 206, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Chong, Har, C. Lee and Morita.

SCRep. 1355-10 Housing on S.C.R. No. 218

The purpose of this concurrent resolution is to help ensure the right of every resident to display the American flag by declaring the Legislature's support and urging the Department of Commerce and Consumer Affairs to work with relevant stakeholders to make certain that this right, as delineated in Public Law 109-243, is upheld.

Several concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 218, S.D. 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, Chong, Har, C. Lee and Morita.

SCRep. 1356-10 Housing/Water, Land, & Ocean Resources on S.C.R. No. 93

The purpose of this concurrent resolution is to work toward improving the availability of viable housing options by requesting that the City and County of Honolulu (C&C) review the feasibility of developing single room occupancy dwellings in transit oriented development projects to alleviate the affordable housing shortage.

The C&C Department of Planning and Permitting opposed this concurrent resolution.

Your Committees have amended this concurrent resolution by requesting that the Hawaii Housing Finance and Development Corporation (HHFDC) review the feasibility of developing single room occupancy dwellings in transit oriented development projects to alleviate the affordable housing shortage, and accordingly:

- (1) Changed the title to read, "REQUESTING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO REVIEW THE FEASIBILITY OF DEVELOPING SINGLE ROOM OCCUPANCY DWELLINGS IN TRANSIT ORIENTED DEVELOPMENT PROJECTS TO ALLEVIATE THE AFFORDABLE HOUSING SHORTAGE"; and
- (2) Provided that a certified copy of the concurrent resolution will be sent to the Executive Director of HHFDC and Director of Business, Economic Development, and Tourism.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 93, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 93, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Har, C. Lee and Morita.

SCRep. 1357-10 Economic Revitalization, Business, & Military Affairs on S.C.R. No. 202

The purpose of this concurrent resolution is to urge Google Inc. to select Hawaii as a test site to conduct the Google Gigabit Broadband Initiative.

The substance of this concurrent resolution was replaced with that of S.C.R. No. 6, 2010, in a proposed H.D. 1 that was made available to the public.

The title of the proposed H.D. 1 reads: "AUTHORIZING THE MUTUAL CANCELLATION OF LEASE OF NON-EXCLUSIVE EASEMENT S-5252 AND ISSUANCE OF A TERM, NON-EXCLUSIVE EASEMENT COVERING A PORTION OF STATE SUBMERGED LANDS SITUATED AT LAPAAKEA, LAHAINA, MAUI, IDENTIFIED BY TAX MAP KEY: (2) 4-5-001:055: SEAWARD OF TAX MAP KEY: (2) 4-5-001:006."

The Department of Land and Natural Resources (DLNR) supported the proposed H.D. 1.

Your Committee has adopted the proposed H.D. 1. As amended, this concurrent resolution authorizes a term, non-exclusive easement for state submerged lands to be issued by DLNR, as provided under section 171-53, Hawaii Revised Statutes. The easement will be issued to Lakala Trust, which owns property in Lahaina, Maui, that is partially located over state submerged lands. Cancellation of Lakala Trust's existing easement over those lands, and issuance of a new easement for the same property, will allow the trust to refinance its mortgage on the property.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 202, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 202, S.D. 1, H.D. 1.

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

SCRep. 1358-10 Labor & Public Employment on S.C.R. No. 40

The purpose of this resolution is to express support for the enforcement of existing OSHA regulations on the use of hexavalent chromium and urging OSHA to develop safer alternatives and ban hexavalent chromium.

The Department of Labor and Industrial Relations provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, S.D. 1, and recommends that it be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi and Pine.

SCRep. 1359-10 Labor & Public Employment on S.C.R. No. 128

The purpose of this bill is to encourage all public and private employers in this State to use E-verify to confirm employee workplace eligibility.

The Hawaii Laborers Union testified in support of this measure.

The State of Hawaii Judiciary supports the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 128 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi and Pine.

SCRep. 1360-10 Labor & Public Employment on S.C.R. No. 201

The purpose of this resolution is to urge the Department of Labor and Industrial Relations to adopt rules to prohibit abusive work environments.

The Hawaii Government Employees Association, the International Longshore and Warehouse Union Local 142, and eleven concerned citizens testified in support of this measure. A petition, containing over two-hundred and fifty names was also submitted in support of this measure.

The Department of Labor and Industrial Relations provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 201 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi and Pine.

SCRep. 1361-10 Labor & Public Employment on S.C.R. No. 144

The purpose of this resolution is to urge the Department of Labor and Industrial Relations to meet or exceed the Occupational Safety and Health Administration's position benchmarks for workplace safety and health and conduct a study to determine the feasibility of implementing a construction safety and health program in the State.

The Hawaii Government Employees Association, the Hawaii Laborers' Union, the International Longshore and Warehouse Union Local 142, and the Hawaii Carpenters Union testified in support of this measure.

The Department of Labor and Industrial Relations provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 144, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Souki, Takumi and Pine.

SCRep. 1362-10 Tourism, Culture, & International Affairs on S.C.R. No. 126

The purpose of this concurrent resolution is to urge the International Civil Aviation Organization (ICAO) to grant Taiwan meaningful participation in the activities, meetings, and mechanisms of the ICAO.

As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends its adoption.

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

SCRep. 1363-10 Energy & Environmental Protection on S.C.R. No. 99

The purpose of this measure is to request that the County of Hawaii establish a working group to analyze the potential for geothermal energy to be the primary energy supply to meet the baseload electricity demand for the Big Island.

Testimony in support of this measure was submitted by the Mayor of the County of Hawaii, the County of Hawaii Department of Research and Development, the Hawaii County Council, Hawaiian Electric Light Company, the Hawaii Farm Bureau, the ILWU Local 142, the Japanese Chamber of Commerce & Industry of Hawaii, and eleven individuals. Comments were submitted by the Department of Land and Natural Resources, and Puna Geothermal Venture.

Hawaii is the third most oil dependent state in the nation, with ninety per cent of the State's energy coming from imported oil. The goal of the Hawaii Clean Energy Initiative is to reduce the dependence on oil by having seventy per cent of the State's energy come from renewable resources and energy efficiency by 2030. Geothermal is a steady and renewable source of clean energy, and is more reliable than intermittent solar and wind.

Your committee finds that the abundance of geothermal resources on the Big Island indicates a potential for geothermal to be a main source of energy for that island. Geothermal would reduce energy costs for residents, move the State towards energy independence, and also help reduce greenhouse gas emissions.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 99 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Har, Ito, C. Lee, Luke and Ching.

SCRep. 1364-10 Energy & Environmental Protection on S.C.R. No. 183

The purpose of this concurrent resolution is to help address urban noise pollution concerns by convening a Legislative Noise Pollution Task Force (Task Force) to review best practices pursued by other states to reduce urban noise pollution.

Several concerned individuals testified in support of this concurrent resolution. The Department of Health opposed this measure. The Legislative Reference Bureau and a concerned individual provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Removing the member from the Public Utilities Commission from the Task Force;
- (2) Providing that the Senate President and the Speaker of the House of Representatives shall jointly designate the Chairperson of the Task Force from the members thereof;
- (3) Specifying that the Chairperson of the Task Force provide the findings and recommendations of the Task Force to the Legislative Reference Bureau for final drafting by November 1, 2010; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 183, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 183, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Har, Ito, C. Lee, Luke and Ching.

SCRep. 1365-10 Legislative Management on S.C.R. No. 194

The purpose of this concurrent resolution is to continue to find ways to support family caregivers who provide unpaid, informal assistance to the elderly with physical or cognitive disabilities. This measure requests authorization for the Joint Legislative Committee on Aging in Place to continue to carry out its work until June 30, 2012.

AARP Hawaii, Occupational Therapy Association of Hawaii, and the Hawaii Chapter – American Physical Therapy Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194 and recommends its adoption.

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

SCRep. 1366-10 Finance on S.C.R. No. 78

The purpose of this measure is to request the Auditor to conduct a management and financial audit of all contracts between the Department of Taxation and CGI Technologies and Solutions, Inc., and its predecessor American Management Systems, Inc.

HGEA and two concerned individuals testified in support of this concurrent resolution. The Department of Taxation and CGI provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Finnegan and Ward.

SCRep. 1367-10 Finance on S.C.R. No. 79

The purpose of this measure is to urge the Department of Human Services to provide its case workers with information and training so they will better understand the issues faced by grandparents who are raising grandchildren that are in the custody of Child Protective Services of the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Finnegan and Ward.

SCRep. 1368-10 Finance on S.C.R. No. 167

The purpose of this measure is to request the Hawaii State Center for Nursing to evaluate the need for and resources required to establish a continuing education program for nurses.

The Hawaii State Center for Nursing, the Healthcare Association of Hawaii and two concerned individuals provided testimony in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 167, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Finnegan and Ward.

SCRep. 1369-10 Finance on S.C.R. No. 179

The purpose of this measure is to request that the Governor develop proposed legislation based on the Hawaii QUEST request for proposal requirements to mandate the size and extent of a managed care plan's specialty network for both QUEST and QUEST Expanded Access plans.

Testimony in support was provided by AlohaCare and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Finnegan and Ward.

SCRep. 1370-10 Finance on S.C.R. No. 110

The purpose of this measure is to request that the Department of Education and University of Hawaii establish a working group to develop a comprehensive plan to improve awareness of and strengthen support for persons with dyslexia.

Testimony in support of this concurrent resolution was provided by the Special Advisory Council, the Hawaii Branch of the International Dyslexia Association, the Hawaii Disability Rights Center, Assets School, the Dyslexia Tutoring Center of Hawaii and several concerned individuals. The Department of Education testified in opposition to this concurrent resolution. LRB provided comments.

Your committee has amended this concurrent resolution to require the working group to submit any proposals for legislation to the Legislative Reference Bureau by November 1, 2011.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 110, S.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 110, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Har, Finnegan and Ward.

SCRep. 1371-10 Legislative Management on S.C.R. No. 18

The purpose of this concurrent resolution is to help determine whether the State acted legally and responsibly in investing \$1,100,000,000 in student loan auction rate securities. This measure establishes a joint legislative investigating committee (investigating committee) to oversee the investigation of the Department of Budget and Finance's (B&F) handling of the State's investment in these securities and to report back to the 2011 Legislature.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, testified in support of this concurrent resolution. The Department of the Attorney General (AG) opposed this measure. B&F offered comments.

The AG testified that in the event litigation becomes necessary, having an investigating committee questioning witnesses under oath may adversely affect the litigation.

Your Committee has therefore amended this concurrent resolution by:

- (1) Establishing procedures to prevent any actions of the investigating committee from jeopardizing any litigation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 18, S.D. 1, H.D. 1.

Signed by all members of the Committee.

SCRep. 1372-10 Education on S.C.R. No. 108

The purpose of this concurrent resolution is to request the convening of a task force to determine a funding formula, process, or both, to be used by all agencies in the calculation of charter school funding in the State.

The Department of Education, Charter School Administrative Office, Hookakoo Corporation, Hawaii Charter Schools Network, and Kamehameha Schools testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Chang, Manahan, Rhoads and Yamane.

SCRep. 1373-10 Education on S.C.R. No. 140

The purpose of this concurrent resolution is to request the Department of Education (DOE) to respond to and prioritize each of the recommendations of the "Complex Area Administrative and Support Services Review" conducted by KPMG.

DOE testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 140, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Chang, Manahan, Rhoads and Yamane.

SCRep. 1374-10 Education on S.C.R. No. 195

The purpose of this concurrent resolution is to urge the Department of Education (DOE) to establish an appropriate level of sign language proficiency for individuals in the DOE who provide instruction to children with disabilities to enhance their students' learning.

The Hawaii State Council on Developmental Disabilities, Hawaii Disability Rights Center, and several concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 195, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Chang, Manahan, Rhoads and Yamane.

SCRep. 1375-10 Finance on H.R. No. 205

The purpose of this resolution is to ensure consistency, reliability, and responsibility for the programming of the cablecast proceedings of the House of Representatives. This measure establishes policies to govern the activities of the Legislative Broadcast Program relating to project responsibility, distribution, programming content, editing, and ownership and use of programming.

The League of Women Voters of Hawaii provided testimony in support of this resolution. Common Cause Hawaii offered comments.

Upon further consideration, your Committee has amended this resolution by specifying that any use of material for campaign rather than political purposes is prohibited.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 205, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 205, H.D. 1.

Signed by all members of the Committee except Representatives Aquino and Har.

SCRep. 1376-10 Public Safety on S.C.R. No. 172

The purpose of this concurrent resolution is to request the Department of Public Safety (PSD) and the Hawaii Paroling Authority (HPA) to identify up to 500 non-violent inmates who could be involved in a day reporting center, be monitored via 24-hour/seven days a week GPS electronic monitoring, be included in an extended work furlough program, and/or be eligible for an early release program.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals testified in support of this concurrent resolution. PSD and HPA opposed this measure. Hawaii Substance Abuse Coalition provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Rhoads, Saiki, Souki, Takumi and Yamashita.

SCRep. 1377-10 Public Safety on S.C.R. No. 180

The purpose of this concurrent resolution is to request a report of the status and uses of the Wireless Enhanced 911 Fund to the Legislature by September 1, 2010.

The Department of Accounting and General Services and a concerned individual testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Rhoads, Saiki, Souki, Takumi and Yamashita.

SCRep. 1378-10 Public Safety on S.C.R. No. 190

The purpose of this concurrent resolution is to request the Corrections Population Management Commission (Commission) to resume its meetings and request the Department of Public Safety (PSD) to distribute population report and other relevant information at Commission meetings and via its website.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals testified in support of this concurrent resolution. PSD provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Rhoads, Saiki, Souki, Takumi and Yamashita.

SCRep. 1379-10 Public Safety on S.C.R. No. 191

The purpose of this concurrent resolution is to request the Hawaii Paroling Authority (HPA) to establish a two-year pilot project similar to the Judiciary's probation modification project, Hawaii's Opportunity Probation with Enforcement or HOPE.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, and several concerned individuals testified in support of this concurrent resolution. HPA and the Department of the Prosecuting Attorney of the City and County of Honolulu opposed this measure. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Rhoads, Saiki, Souki, Takumi and Yamashita.

SCRep. 1380-10 Public Safety on S.C.R. No. 192

The purpose of this concurrent resolution is to request that the Department of Public Safety (PSD) facilitate and support federal grant proposals for funding of the Huikahi Restorative Circles program to provide a group planning process for inmates and their families to work on a transition plan for the inmate's reentry into society.

The Drug Policy Forum of Hawaii, Community Alliances on Prisons, and several concerned individuals testified in support of this concurrent resolution. PSD commented on this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Rhoads, Saiki, Souki, Takumi and Yamashita.

SCRep. 1381-10 Consumer Protection & Commerce on H.R. No. 136

The purpose of this measure is to request the Auditor conduct an analysis of the profession of exchange accommodation in Hawaii.

Prior to a hearing on this measure, your Committee circulated a proposed draft that deleted the contents of the measure as received and inserted language that would establish a special investigative committee to investigate the status and handling of the Ocean View-Kahuku water system construction project on Hawaii Island.

Your Committee received written comments in support of the proposed draft from Ocean View Community Development Corporation and several concerned individuals. The State Procurement Office and the Hawaii County Department of Water Supply opposed this measure. The County of Hawaii Mayor's Office provided comments.

Your Committee has amended this resolution by adopting the proposed draft of this measure.

Specifically, this measure:

- (1) Amends the title to read: ESTABLISHING AN INVESTIGATIVE COMMITTEE TO INVESTIGATE THE COUNTY OF HAWAII DEPARTMENT OF WATER SUPPLY; and
- (2) Replaces the contents of H.R. No. 136 with a measure that would establish an investigative committee vested with powers to:
 - (A) Determine the status of the planned water well and overall water system project in Ocean View-Kahuku;
 - (B) Provide for an audit of the funds received from the 2005 appropriation for this project;
 - (C) Ascertain information relating to any change in project scope since the approval of the environmental assessment;
 - (D) Determine whether the Department of Water Supply complied with the State Procurement Code in contracting the services of Bolton Inc. to complete construction of the water project.

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

- (1) Limiting the assistance provided by the Legislative Reference Bureau to conducting analyses and drafting appropriate legislation as requested by the investigative committee and eliminating duties related to conducting legal and policy analyses and reviewing laws and studies in other jurisdictions; and
- (2) Clarifying that the Department of the Attorney General is requested to provide the investigative committee with copies of documents as may be available, and provide legal analyses as needed, to the extent that the Attorney General's participation does not impermissibly conflict with any litigation of which the Attorney General is a party.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 136, H.D. 1.

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

SCRep. 1382-10 Energy & Environmental Protection on H.R. No. 47

The purpose of this measure is to encourage State of Hawaii departments to increase their efforts to reduce energy consumption, and to request that the Department of Accounting and General Services publically recognize the executive department which makes the greatest reduction in energy use.

Your Committee distributed a proposed House Draft 1 which changes the topic of the resolution to address the Property Assessed Clean Energy (PACE) bond program. Specifically, the proposed H.D. 1:

- (1) Changes the title of the resolution to "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO WORK WITH THE COUNTIES AND OTHER AFFECTED PARTIES TO RESOLVE THE PROBLEMS WITH IMPLEMENTING A CLEAN ENERGY BOND/PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM ESTABLISHED IN THE DRAFTS OF HOUSE BILL NO. 2643";
- (2) Identifies the Department of Business, Economic Development, and Tourism as the primary entity in facilitating a clean energy bond program, and requests that the department work closely with the Department of Finance and representatives from each county; and
- (3) Outlines the problems with implementing a clean energy bond program discovered in discussion and testimony, and advocates for a resolution of the problems, especially addressing reluctance from the counties to fully support a statewide program, since they would be primarily responsible for administering such a program.

Your Committee received testimony in support of the proposed House Draft from the City and County of Honolulu Office of the Mayor, the County of Kauai Office of the Mayor, the County of Maui Office of Economic Development, the County of Hawaii Department of Research and Development, the Hawaii Bankers Association, the Hawaii Credit Union League, and the Hawaii Solar Energy Association. Your Committee received testimony in opposition to the proposed House Draft from the Department of Business, Economic Development, and Tourism and the Sierra Club Hawaii Chapter. Written comments on the proposed House Draft were received from the Mortgage Bankers Association of Hawaii, the Hawaii Association of Realtors, and one individual.

Your Committee finds that although through its statutorily stated objectives to meet a goal of seventy per cent clean energy by 2030, individual homeowners and businesses often do not have the financial resources to invest in renewable energy systems and energy efficient improvements. Property Assessed Clean Energy (PACE) programs have been utilized in various municipalities in providing property owners with the necessary resources, through loans which are repaid through a special property tax assessment for these systems and improvements. During the session, the Legislature considered House Bill No. 2643 which proposed to establish a state clean energy bond program utilizing the concept of PACE, however; many unresolved issues prevented the measure from enactment. Therefore, the purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to meet with the interested and affected parties to address outstanding issues.

Your Committee notes that the Department of Business, Economic Development, and Tourism should have broad discretion to encourage as many parties as possible to involve in the drafting of the framework for a successful state program.

Your Committee has amended this measure by adding language suggested in testimony from the Hawaii Bankers Association to item seven on page two, to include language which accounts for federal mortgage financing institutions and to clarify the issue to be resolved.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 47, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Har, and C. Lee.
(Representative Ching voted no.)

SCRep. 1383-10 Health on S.C.R. No. 150

The purpose of this concurrent resolution is to raise public awareness about the disease, mesothelioma, and its causes so that those who are at risk may receive information and screening that may save their lives by proclaiming September 26, 2010, as "Mesothelioma Awareness Day."

The American Cancer Society Hawaii Pacific, Inc. and a concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 150 and recommends its adoption.

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

SCRep. 1384-10 Human Services on S.C.R. No. 91

The purpose of this concurrent resolution is to designate the Senate Human Services Committee as an investigative committee to investigate contested child custody proceedings where family violence has been alleged to have been committed by a parent.

Angel Group, the Hawaii Coalition Against Domestic Violence and numerous concerned individuals submitted testimony in support of this measure. The Judiciary provided comments on this measure.

Your Committee finds about half of men who batter their partner also abuse their children. A growing trend in family court includes joint or shared custody and the use of parenting plans. Although your Committee believes that joint custody and parenting plans are appropriate for non-violent families, your Committee firmly believes that these solutions are incredibly inappropriate for families who have a violent history.

Your Committee further finds that HRS 571-46 was adopted to prevent and curtail the further occurrence of family violence once a victim of domestic violence had successfully fled his/her abuser. However, your Committee finds that this statute can only be considered if a finding of domestic violence is made by the judge and often results in the under application of the statute.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, S.D. 1, and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1385-10 Human Services/Health on H.R. No. 240

The purpose of this resolution as received by your Committees is to request the Office of the Auditor to review and compare the health care benefits available under the Medicaid program, the Prepaid Health Care Act, and the Health Care Programs of the Employer-Union Trust Fund.

For purposes of a public hearing, Your Committees circulated a proposed HD1 that establishes an investigative committee to investigate the proposed reorganization plan and purchase of service contracts of the Department of Human Services (DHS). The investigative committee shall include:

- (1) The Chair of the House Human Services Committee; and
- (2) The Vice-Chair of the House Human Services Committee; and
- (3) Three members of the House of Representatives appointed by the Speaker of the House.

The investigative committee's purpose and duties, as well as the subject matter and scope of its investigatory authority shall be to:

- (1) Provide for an audit of the money allocated for contracts by DHS, the services contracted, and the number of residents such contracts were to cover; and
- (2) Provide for an audit of the money allocated specifically for the proposed reorganization plan; and
- (3) Determine whether any state or federal law was violated or required relating to the proposed reorganization plan; and
- (4) Determine whether there was any retaliation or reprimand toward any employee or contracted agency by DHS administrators.

The investigative committee shall conduct a thorough evaluation of the proposed reorganization, as well. The investigative committee shall have every power and function allowed to an investigating committee by law, including, without limitation, the power to:

- (1) Adopt rules for the conduct of its proceedings; and
- (2) Issue subpoenas requiring the attendance and testimony of witnesses and subpoenas duces tecum requiring the production of books, documents, records, papers, or other evidence in any matter pending before the committee; and
- (3) Hold hearings appropriate for the performance of its duties at such times and places as the committee determines; and
- (4) Administer oaths and affirmations to witnesses at hearings of the committee; and
- (5) Report or certify instances of contempt;

Provided that the committee is requested to voluntarily limit, to the extent possible, the use of its subpoena power to produce witnesses, documents, and other evidence, and voluntarily limit the scope of its investigation, to the extent possible, to a review of appropriate publicly-available information on the subject matters within the committee's purview. The committee shall submit a report of its findings and recommendations to the House of Representatives no later than 20 days prior to the convening of the Regular Session of 2011.

The Hawaii Government Employees Association submitted testimony in support of this measure.

The Department of Human Services (DHS) uses purchase of service contracts to hire private contractors and vendors for intake and eligibility determination functions to provide additional support to DHS employees. However, there has been some dispute as to the effectiveness and efficiency of using purchase of service contracts.

In addition, DHS has proposed a reorganization plan that would create a new Eligibility Processing Operations Division (EPOD), in an effort to save money and streamline operations. Your Committees, though, have received many disturbing claims from both recipients and workers about the way the proposed plan has been handled by DHS.

For these reasons, your Committees have amended this resolution by adopting the proposed HD1.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 240, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 240, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Carroll, Yamane, Finnegan and Ward.