

**SCRep. 1 Labor & Public Employment on H.B. No. 166**

The purpose of this bill is to protect the health and safety of workers by raising the amounts of the civil penalties and criminal fines for violations of the Hawaii Occupational Safety and Health Law (HOSHL).

The Department of Labor and Industrial Relations and the Hawaii Laborers' Union supported this bill. The Roofing Contractors Association of Hawaii opposed this measure.

Your Committee has amended this bill by increasing the existing civil-penalty and criminal-fine amounts by ten percent.

Hawaii's economy is still recovering from the recent recession. The civil penalties and criminal fines imposed for violations of the HOSHL are paid by businesses and may prove to be a hardship for them, especially small businesses. However, your Committee recognizes that worker safety must remain paramount and notes that the last time the penalties and fines were raised was approximately 18 years ago.

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. 166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 166, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 2 Labor & Public Employment on H.B. No. 174**

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 State Association of Counties, Department of Budget and Fiscal Services of the City and County of Honolulu, Department of Human Resources of the City and County of Honolulu, and a concerned individual testified in support of this bill. The Department of Budget and Finance supported the intent of 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, your Committee finds that it seems only fair that some form of county representation be established on the Board.

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

Signed by all members of the Committee.

**SCRep. 3 Labor & Public Employment on H.B. No. 175**

The purpose of this bill is to ensure that the Employer-Union Health Benefits Trust Fund (EUTF) Board decisions take into account the counties' workplace and finances by requiring one member of EUTF Board to be selected by the counties.

The Hawaii Council of Mayors, City and County of Honolulu Department of Human Resources, Hawaii State Association of Counties, and a concerned individual supported this bill. The Department of Budget and Finance supported the intent of this measure.

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 meets the needs of all public employees and their families.

However, your Committee finds that to ensure that the needs of county employees and their families are adequately met, the counties must have a representative on the EUTF Board.

Your Committee has amended this bill by permitting the Governor to fill the vacancy should the counties' not appoint their representative within sixty days.

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. 175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 175, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 4 Labor & Public Employment on H.B. No. 268**

The purpose of this bill is to strengthen public safety by allowing criminal history record checks to be conducted by:

- (1) The counties on:

- (A) Prospective employees who work with vulnerable adults or senior citizens in community-based programs;
- (B) Prospective employees for fire department positions that involve contact with children or dependent adults;
- (C) Prospective employees for emergency medical services positions that involve contact with children or dependent adults; and
- (D) Prospective employees for emergency management positions that involve planning and executing measures for the security of their respective jurisdictions, Hawaii, or the United States;

and

- (2) The county liquor commissions on employees and prospective employees involved in liquor control investigations.

The State Fire Council, Honolulu Fire Department, Department of Community Services of the City and County of Honolulu, Department of Emergency Management of the City and County of Honolulu, Department of Human Resources of the City and County of Honolulu, Department of Emergency Services of the City and County of Honolulu, Liquor Commission of the City and County of Honolulu, Kauai Fire Department, Hawaii Fire Department, Department of Fire and Public Safety of the County of Maui, and the Hawaii Fire Fighters Association testified in support of this bill. The Hawaii Civil Rights Commission submitted comments.

Your Committee is concerned that this bill may upset the delicate balance between an employer's duty to protect the safety of the public and an employee's or prospective employee's ability to find employment. Furthermore, this bill may unduly expand the ability of employers to conduct criminal history record checks. Nevertheless, your Committee finds that this bill is worthy of further discussion and 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. 268 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

#### **SCRep. 5 Labor & Public Employment on H.B. No. 546**

The purpose of this bill is to provide protection for the civil rights of all the people of Hawaii equally by including discrimination based upon gender identity or expression as a form of sex discrimination by amending sections 378-1, 368-1, and 378-2 of the Hawaii Revised Statutes.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Pride At Work Hawaii, the American Civil Liberties Union of Hawaii, Americans for Democratic Action/Hawaii, Screen Actors Guild Hawaii Branch, Planned Parenthood of Hawaii, Honolulu Pride, DA MOMS, ILWU Local 142, the Japanese American Citizens League Honolulu Chapter, GLBT Caucus of the Democratic Party, Phoenix Project, a member of the State of Hawaii Board of Education, and numerous individuals testified in support of this bill. Equality Hawaii and the Hawaii State AFL-CIO supported the intent of the bill. The Hawaii Civil Rights Commission and one individual offered comments.

Your committee finds that all members of the community should have equal access to employment opportunities without regard to their gender expression or identity. Similarly, everyone should feel safe and secure in the workplace, without fear of harm or humiliation.

The 2009 National Transgender Discrimination Survey illustrated the excessive rate at which transgender individuals experience unemployment, harassment, and poverty in comparison to the general population.

Discrimination based on gender identity or expression is a form of discrimination that is not expressly protected under the law. Your committee finds this bill is necessary as it will provide recourse for those who experience such discrimination, and ultimately discourage such conduct from occurring, especially in the workplace.

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

Signed by all members of the Committee.

#### **SCRep. 6 Labor & Public Employment on H.B. No. 777**

The purpose of this bill is to ensure the continued support of retired state employees and their dependent-beneficiaries through the Hawaii Employer-Union Health Benefits Trust Fund by establishing a formula for reimbursement of the state general fund from non-general funds for contributions made to retired state employees.

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

Your committee finds it impractical to preemptively allot specific amounts of non-general funds for each retired state employee. Establishing a formula to determine non-general fund reimbursements for health fund contributions to retired state employees and their dependent-beneficiaries is a more reasonable and workable approach.

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

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

**SCRep. 7 Human Services on H.B. No. 740**

The purpose of this bill is to work toward addressing the issue of domestic violence in Hawaii by establishing a temporary Domestic Violence Task Force (Task Force) to discuss and seek input on domestic violence issues being faced in Hawaii.

Several concerned individuals testified in support of this bill. The Department of Human Services opposed this measure. A concerned individual provided comments.

Domestic violence is a complex issue that oftentimes is only noted for the physical violence that it is associated with. An oft overlooked fact is that domestic violence encompasses a wide range of issues, including emotional and psychological abuse, that are not always rectified by the victim's separation from an abuser.

Because of this, your Committee finds that expansion of the Task Force may be warranted and that discussion of this expansion should continue. Expanding the Task Force to consist of more grassroots members who have firsthand knowledge of domestic violence in Hawaii, including victims, military experts, persons knowledgeable about issues of abuse, and persons with an academic and research based background in domestic violence, may provide a varied and diverse perspective of the subject matter that would be helpful in enlightening the Task Force and could bring forth fresh ideas for workable solutions to this issue.

Your Committee also finds that the creation of a Domestic Violence Czar, possibly in the executive branch, would be an effective improvement of the domestic violence situation in Hawaii. It would provide the coordination necessary to establish comprehensive and integrated public policy decisions on this issue and your Committee respectfully requests the Committee on Judiciary to continue discussions on this matter as this measure moves through the legislative process.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 740, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 8 Human Services on H.B. No. 574**

The purpose of this bill is to assist victims of domestic violence by establishing fear of domestic or sexual violence as a good cause for not accepting otherwise suitable, available work for the purpose of collecting unemployment compensation.

The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this bill by:

- (1) Inserting language that invalidates any portion of the bill that may violate federal regulations;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 574, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 9 Human Services on H.B. No. 768**

The purpose of this bill is to effectuate its title.

H.B. No. 768 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out H.B. No. 768, 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. 768, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 10                    Transportation on H.B. No. 917**

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

The Department of Transportation and the Hawaii Laborers' Union testified in support of this bill. A concerned individual opposed this measure.

Securing county permits for construction projects, particularly large projects, is a time consuming process that oftentimes results in project delays that can result in added costs. Exempting highway and airport construction projects from the county approval process will help expedite the planning and construction of needed infrastructure projects and work toward spurring the economic recovery of the State.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 917 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 11                    Transportation on H.B. No. 538**

The purpose of this bill is to protect the health and safety of Hawaii's people as well as Hawaii's precious environment by requiring all motor vehicles to be equipped with road pollution filters as a condition of receiving a certificate of inspection.

Numerous concerned individuals testified in support of this bill. The Department of Transportation, Hawaii Transportation Association, Alliance of Automobile Manufacturers, and a concerned individual testified in opposition to this measure. The Department of Customer Services of the City and County of Honolulu provided comments.

Pollution is a problem faced by many communities around the world. However, pollution takes many forms and one often overlooked form of pollution is that of fine particles. Fine particle pollution consists of minute airborne particles, often containing metals and other toxins that are the main ingredient of haze. One of the main sources of this type of pollution, generally invisible to the naked eye, is the release of materials from tire wear, brake wear, road materials, and exhaust emissions for motorized vehicles. Though generally unnoticed, fine particle pollution affects air quality and can pose a serious health risk. Fine particle pollution also has an environmental impact as particles may be washed from the roadways into water supplies and the ocean via storm drain runoff.

Your Committee understands the concerns raised that information on the wheel well pollution filtration devices provided for in this measure is not readily available and that many questions still need to be answered regarding these filters including their installation, life expectancy, cost, use, and proper disposal. Nevertheless, your Committee finds that these questions and concerns can be addressed as the measure makes its way through the legislative process and that this measure deserves further consideration.

Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2015, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 538, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 12                    Transportation on H.B. No. 1016**

The purpose of this bill is to increase Hawaii's energy efficiency and reduce our dependence on fossil fuels by, among other things:

- (1) Authorizing the Department of Transportation to adopt rules for the registration of, and issuance of license plates for, electric vehicles;
- (2) Exempting electric vehicles with proper license plates from parking fees charged by governmental entities, including fees charged by parking meters, except when the vehicle is parked at a charging station;
- (3) Extending the time period by which parking facilities must designate one percent of their public parking spaces for the exclusive use of electric vehicles from December 31, 2011, to July 1, 2012;
- (4) Establishing a definition of an "electric vehicle charging system"; and

- (5) Postponing from January 1, 2012, to January 1, 2013, the date upon which persons who park in a stall reserved for an electric vehicle will begin to receive warnings.

The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Inc., Sierra Club-Hawai'i Chapter, and Blue Planet Foundation testified in support of this bill. Better Place Hawaii supported the intent of this measure.

As one of the most fossil fuel dependent states in the nation, Hawaii is currently working to meet clean and renewable energy goals in the very near future. One way of achieving this goal is to increase consumer acceptance of electric vehicles. Electric vehicles produce less greenhouse gas emissions than comparable gas powered vehicles and their use will reduce fossil fuel consumption. Benefits such as free parking for these types of vehicles will help to increase their use and acceptance.

However, your Committee understands that the definition of an electric vehicle charging system contained in this measure must be modified to meet official standards to ensure public safety. Accordingly, your Committee has amended this bill by amending the definition of an electric vehicle charging system to require such systems to meet the recognized standards established by the Society of Automotive Engineers (SAE), including SAE standard J1772.

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. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1016, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 13                    Transportation on H.B. No. 823**

The purpose of this bill is to promote public safety while helping to defray the administrative costs of the Judiciary by:

- (1) Increasing fines and fine ceilings for certain traffic offenses;
- (2) Increasing administrative fees for certain traffic offenses; and
- (3) Allocating portions of the increased administrative fees into the Judiciary Computer System Special Fund, the Judiciary Facilities Repair and Maintenance Fund, and the General Fund.

While the public safety of our roadways is of the utmost importance, administration of the justice system tasked with addressing this issue is costly. Although raising fines, fine ceilings, and administrative fees for certain traffic offenses would generate revenue for the State, the greater purpose served by these increases is that they will act as a deterrent to unsafe behavior while operating a motor vehicle, thereby promoting public safety.

Your Committee notes that while this measure calls for twenty five percent of the increase in administrative fees to be deposited into the Judiciary Facilities Repair and Maintenance Special Fund, no such fund currently exists. Your Committee further notes that the Judiciary stated that they would be willing to work on language for the establishment of this special fund and encourages the Judiciary to provide necessary language to the Committee on Judiciary as this bill proceeds 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. 823 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. 14                    Transportation on H.B. No. 833**

The purpose of this bill is to work towards meeting the need for affordable housing, care for the elderly, and services for Hawaii's disadvantaged by providing general excise tax (GET) credits for affordable rental housing and community health care facility development that occurs within a mixed-use transit-oriented joint development project.

The Department of Planning and Permitting of the City and County of Honolulu and Hawaii Association of REALTORS testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Department of Taxation testified in opposition to this bill. The Tax Foundation of Hawaii provided comments.

Housing and transportation costs are the two largest costs faced by today's families. Among other things, locating affordable housing and other community services near transit areas will allow families and persons living in these areas easier access to schools, jobs, health care centers, and social services. Targeted tax policies to spur the growth of this type of development near transit locations will work toward the creation of more sustainable communities and increase the quality of life for those living in those communities.

While your Committee does understand that the provision of GET credits may have an impact on the overall fiscal condition of the State, the importance of this matter deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833 and recommends that it pass Second Reading and be referred to the Committees on Housing and Health.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 15            Tourism on H.B. No. 84**

The purpose of this bill is to repair the seawall in Waikiki, Oahu.

Two concerned individuals provided comments.

Your Committee has amended this bill by changing the location of the seawall, which stretches along the Waikiki shoreline, from 2957 Kalakaua Avenue to 2937 Kalakaua Avenue to reflect the seawall's correct location.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 84, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 84, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 16            Tourism on H.B. No. 371**

The purpose of this bill is to revitalize Hawaii's construction and visitor industries by providing a tax credit for construction and renovation costs on hotel property.

In 2009, the Construction Industry Task Force (Task Force) was established to determine the economic contributions of the construction industry in Hawaii, especially in the midst of an economic recession. Additionally, in 2010, an informal small business discussion group was convened by the House Committee on Economic Revitalization, Business, and Military Affairs and Senate Committee on Economic Development and Technology to address the most critical issues faced by Hawaii's small business sector. A recommendation was proposed by the Task Force and small business discussion group to create a hotel construction and renovation tax credit to boost Hawaii's construction and visitor industries.

The Hawaii Tourism Authority testified in support of this measure. The Department of Taxation supports the intent of this bill. Outrigger Hotels & Resorts offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 17            Labor & Public Employment on H.B. No. 467**

The purpose of this bill is to protect public employees by:

- (1) Providing additional protections to those employees who report violations of the law or other improper activities; and
- (2) Expanding the Department of Labor and Industrial Relations' (DLIR) roles and responsibilities regarding whistleblowers.

The Hawaii Government Employees Association testified in support of this bill. The Department of Human Resources Development (DHRD) provided comments on this measure.

Oftentimes, employees who witness violations of the law or improper activities by their employer are afraid to report these violations or activities for fear of retaliation. This bill attempts to address these fears by providing additional protections to employees who file these reports. While your Committee notes the concerns raised by DHRD regarding the overly broad nature of this measure and the effect it may have on personnel actions, the need to balance protections afforded to public employee whistleblowers with the needs of public employers deserves further consideration and 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. 467 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 18            Hawaiian Affairs/Water, Land, & Ocean Resources on H.B. No. 399**

The purpose of this bill is to allow the State to make progress toward meeting part of its constitutional obligation regarding ceded lands by requiring the transfer of cash or land to the Office of Hawaiian Affairs (OHA) as income and proceeds for the period from November 7, 1978, to July 1, 2010.

OHA and the Association of Hawaiian Civic Clubs supported this bill. Several concerned individuals opposed this measure.

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. 399 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, Carroll, Coffman and Jordan.

**SCRep. 19                    Education on H.B. No. 908**

The purpose of this bill is to provide greater flexibility for certain public schools by providing that the single school calendar required for all public schools will not apply to schools designated by the Board of Education in furtherance of a plan to improve educational outcomes in students.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 908 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, Chang, Mizuno, Saiki and Wooley.

**SCRep. 20                    Education on H.B. No. 951**

The purpose of this bill is to continue the promising progress made on the backlog of repair and maintenance projects in public schools by appropriating general funds for deposit in the Hawaii 3R's School Repair and Maintenance Fund.

Hawaii 3R's 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. 951 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, Chang, Mizuno, Saiki and Wooley.

**SCRep. 21                    Education on H.B. No. 1054**

The purpose of this bill is to provide increased stability and predictability for principals and school community councils with respect to the weighted student formula by requiring the Committee on Weights to meet, thereby re-opening the weighted student formula, only once every odd-numbered year, rather than annually.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1054 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, Chang, Mizuno, Saiki and Wooley.

**SCRep. 22                    Education on H.B. No. 1055**

The purpose of this bill is to reallocate classroom time toward educational priorities that are in line with newly-adopted national standards by repealing the inclusion of norm-reference tests in the state-wide assessment program.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1055 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, Chang, Mizuno, Saiki and Wooley.

**SCRep. 23                    Education on H.B. No. 1058**

The purpose of this bill is to allow agencies increased flexibility and resources to upgrade, improve, and replace technology as necessary by including agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investments.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1058 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, Chang, Mizuno, Saiki and Wooley.

**SCRep. 24                    Energy & Environmental Protection on H.B. No. 1015**

The purpose of this measure is to make an emergency appropriation from the Brownfields Cleanup Revolving Loan Fund to facilitate the disbursement of federal funds for the environmental cleanup of a contaminated site.

The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of this measure.

Your Committee finds that DBEDT received a federal grant of \$2,000,000 from the United States Environmental Protection Agency for a Brownfields Cleanup Revolving Loan Program to clean up contaminated sites. Funds under this grant must be disbursed before they lapse at the end of the 2010-2011 fiscal year.

DBEDT executed a no-interest loan with the Department of Hawaiian Home Lands (DHHL) to clean up a contaminated site in Kapolei. However, the amount of federal grant funds that remain to be disbursed exceeds the existing expenditure ceiling of \$1,000,000. This measure provides an emergency appropriation of an additional \$1,000,000, for a total of \$2,000,000 authorized for expenditure in the 2010-2011 fiscal year, from the Brownfields Cleanup Revolving Loan Fund to complete the disbursement of funds to DHHL and allow DBEDT to meet its requirements under the federal grant.

Your Committee notes that Governor's Message No. 97 requests immediate passage of this measure in accordance with Article VII, Section 9 of the Constitution of the State of Hawaii.

Your Committee has amended this measure to:

- (1) Correctly reflect a dollar amount as it appears in Act 162, Session Laws of Hawaii 2009; and
- (2) Make technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1015, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 25 Energy & Environmental Protection on H.B. No. 855**

The purpose of this measure is to assist Pacific Power and Water Company, Inc., with the planning, permitting, designing, constructing, equipping, and operating of hydropower plants throughout the State by authorizing the Department of Budget and Finance to issue special purpose revenue bonds in a total amount not to exceed \$25,000,000.

Testimony in support of the measure was submitted by Pacific Power and Water Company, Inc., and Oceanit. The Department of Budget and Finance and Life of the Land submitted comments on the measure.

Your Committee finds that the development of clean and renewable energy is in the best interests of the public and that hydropower projects would help achieve the State's renewable energy targets.

Your Committee notes that, although special purpose revenue bonds generally lapse after five years, the authorization to issue special purpose revenue bonds under this measure lapses on June 30, 2013. Your Committee further notes that under Section 144 of the Internal Revenue Code of 1986, as amended, tax exempt financing for industrial projects are limited to \$10,000,000.

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. 855 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. 26 Energy & Environmental Protection on H.B. No. 423**

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist Carbon Bio-Engineers Inc. with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Testimony in support of this measure was submitted by Carbon Bio-Engineers Inc. The Department of Budget and Finance commented on the measure, noting in particular, that under section 144 of the Internal Revenue Code of 1986, as amended, tax exempt financing for industrial projects are limited to \$10,000,000.

Your Committee finds that this measure will ultimately help to reduce the State's dependence on fossil fuels, need for increased landfill space, and costs associated with transportation and disposal of waste, including organic feedstock and tires.

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. 423 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. 27            Agriculture on H.B. No. 325**

The purpose of this bill is to assist local farmers in selling their produce by appropriating funds for the establishment of a refrigerated food storage facility at the Hilo International Airport.

The Department of Agriculture (DOA) supported the intent of this measure.

DOA, although supportive of this measure's intent, indicated that facilities sited on lands under the primary jurisdiction of the Department of Transportation (DOT) require concurrence with, and are typically constructed by, DOT. Your Committee notes that DOT did not submit testimony on this bill.

Therefore, your Committee has amended this measure by changing its effective date to July 1, 2020, to encourage further discussion. Other technical, nonsubstantive amendments have been made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 325, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

**SCRep. 28            Agriculture on H.B. No. 627**

The purpose of this bill is to provide tax incentives for businesses engaged in agricultural processing that meet certain qualifications. Specifically, this bill establishes:

- (1) Eligibility requirements, including employment and gross sales requirements, for businesses to be designated as qualified agricultural processing facilities;
- (2) Certification procedures to ensure that eligibility requirements are met;
- (3) A schedule of tax credits for qualified agricultural processing facilities to be applied in an amount equal to a percentage of taxes due to the State, except the general excise tax; and
- (4) A schedule of tax credits for qualified agricultural processing facilities to be applied in an amount equal to a percentage of unemployment insurance taxes paid.

Two concerned individuals supported this bill. The Department of Agriculture and the Hawaii Farm Bureau Federation supported the intent of this measure. The Department of Taxation opposed this bill. The Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 627, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee.

**SCRep. 29            Energy & Environmental Protection on H.B. No. 1286**

The purpose of this measure is to amend Act 110, Session Laws of Hawaii 2009, which authorized the issuance of special purpose revenue bonds to assist BioEnergy Hawaii, LLC, in establishing and operating one or more cogeneration facilities in the State, by modifying the purposes of the project and extending the Department of Budget and Finance's authority to issue special purpose revenue bonds.

Specifically, the measure broadens the scope of the project to include the production of biofuels, in addition to electricity, and to allow the sale of electric energy or biofuels to refineries, in addition to electric utilities. The measure also extends the lapse date by which the Department of Budget and Finance may issue special purpose revenue bonds by one year, to 2015.

Testimony in support of this measure was submitted by BioEnergy Hawaii, LLC, North Shore Consultants, LLC, and Pacific Waste, Inc. The Department of Budget and Finance commented on the measure.

Your Committee finds that modifying the purpose of BioEnergy Hawaii, LLC's cogeneration facility project to include the production of biofuels and the sale of electric energy and biofuels to public refineries is consistent with the energy self-sufficiency goals of the State. However, your Committee finds that the extension of the lapse date for issuing special purpose revenue bonds is unnecessary. The current lapse date of June 30, 2014, provides BioEnergy Hawaii, LLC, ample time to secure funding through the issuance of special purpose revenue bonds. If the company fails to secure funding within the allotted time, the company will have sufficient time prior to June 30, 2014, to justify an extension of the lapse date.

Your Committee further notes the comment submitted by the Department of Budget and Finance that Section 144 of the Internal Revenue Code of 1986, as amended, provides a \$10,000,000 limit on tax exempt financing for industrial projects.

Your Committee has amended the measure by deleting the one-year extension of the Department of Budget and Finance's authority to issue special purpose revenue bonds and the corresponding one-year lapse date extension.

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. 1286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1286, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 30 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 397**

The purpose of this bill is to help preserve the public lands of the State. Specifically, this measure requires that:

- (1) The concurrent resolution to exchange, sell, or gift public land contain, among other things:
  - (A) The specific location and size in square feet or in other precise measure of the parcel of land to be sold or given;
  - (B) The specific purpose for which the land is being sold or given; and
  - (C) A statement of whether the land is, or is not, land that was classed as government or crown lands previous to August 15, 1895, or was acquired by the State in exchange for such lands, and a detailed explanation of how the state department or agency made this determination;

and
- (2) A copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs (OHA) six months prior to the convening of a regular or special session of the Legislature to allow OHA to determine whether the land was classed as government or crown lands previous to August 15, 1895, or was acquired by the State in exchange for such lands.

OHA and the Association of Hawaiian Civic Clubs supported this bill.

After careful consideration, your Committees have amended this bill by requiring that the copy of the concurrent resolution submitted to OHA be submitted at least three months prior to the convening of a regular or special session of the Legislature.

Your Committees note that this bill would affect not only OHA but also the Department of Agriculture, University of Hawaii, Agribusiness Development Corporation, and High Technology Development Corporation as holders of title to public lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 397, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 397, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 31 Water, Land, & Ocean Resources on H.B. No. 1081**

The purpose of this bill is to provide the Department of Land and Natural Resources (DLNR) with flexibility to develop industrial parks on public lands classified or otherwise determined by the Board of Land and Natural Resources (BLNR) as suitable and economically feasible for industrial use.

DLNR testified in support of this bill.

Your Committee has amended this bill by requiring that prior to designation as an industrial park, at least one public meeting be held by DLNR in the geographic region of the public lands classified or otherwise determined by BLNR as suitable and economically feasible for industrial use.

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. 1081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1081, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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

**SCRep. 32 Water, Land, & Ocean Resources on H.B. No. 1255**

The purpose of this bill is to remember and honor the heroism and sacrifices of the 100<sup>th</sup> Infantry Battalion/442<sup>nd</sup> Regimental Combat Team by transferring to the University of Hawaii Kapiolani Community College (UH KCC) 1.5 acres adjacent to the approximately 3.993 acres previously set aside by Executive Order No. 3791 to UH KCC for a proposed Legacy Center for the 100<sup>th</sup> Battalion/442<sup>nd</sup> Regimental Combat Team.

UH KCC 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. 1255 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

**SCRep. 33            Water, Land, & Ocean Resources on H.B. No. 956**

The purpose of this bill is to authorize lease extensions of up to 65 years for demised hotel and resort premises where the Board of Land and Natural Resources approves a development agreement that meets certain criteria.

The Hawaii Tourism Authority testified in support of this bill. The Department of Land and Natural Resources and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 3000, 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 956, H.D. 1, and be referred to the Committee on Tourism.

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

**SCRep. 34            Human Services on H.B. No. 26**

The purpose of this bill is to require the Department of Human Services (DHS) to adopt administrative rules to implement a standardized set of procedures to file complaints and grievances against infant and toddler child care centers.

A concerned individual testified in support of this bill. DHS testified in opposition to this bill.

Your Committee finds that the adopted rules by DHS should include the requirement that all infant and toddler child care centers licensed by DHS, provide a copy of the standardized set of procedures to all parents or legal guardians of an infant or toddler enrolled in a child care center, as well as their respective employees.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 26, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 35            Human Services on H.B. No. 94**

The purpose of this bill is to require the Hawaii State Auditor to conduct a financial and management audit of the Department of Human Services (DHS) in relation to the public assistance programs that it administers.

DHS and a concerned individual provided testimony in support of this bill.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 94, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 94, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 36 Human Services on H.B. No. 684**

The purpose of this bill is to allow minors to give informed consent for emergency shelter and related services.

The Office of Youth Services, the American Civil Liberties Union of Hawaii, Hawaii Youth Services Network, Planned Parenthood of Hawaii, and several concerned individuals submitted testimony in support of this bill. Hale Kipa, Inc. supported the intent of the bill.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 684, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 37 Human Services on H.B. No. 726**

The purpose of this bill is to ensure the safety and health of children in the foster care system by:

- (1) Authorizing the family court upon motion by the child or former guardian ad litem to extend its jurisdiction over the child until the child is 21 years old or the child withdraws consent to the court's extended jurisdiction, subject to an automatic termination of jurisdiction at age 18, the age of majority; and
- (2) Requiring that the scope of the written findings of the court in the permanency hearings include:
  - (A) Services needed to assist a child, age 14 to 16, to transition from foster care to independent living, if deemed appropriate by the Department of Human Services (DHS); and
  - (B) A consultation with the child regarding the proposed plan for permanency or transition to independent living, which addresses the child's needs and goals for a successful transition.

The Hawaii Youth Services Network testified in support of this bill. The Department of the Attorney General, DHS, Judiciary, and Office of Hawaiian Affairs submitted comments.

Your Committee finds that many youth who age out of foster care are not fully prepared for the responsibilities of adult living. Accordingly, concerns have been expressed that the foster care system should be doing a better job with transition preparation of foster care individuals by the age of majority at age 18.

Your Committee has amended this bill by:

- (1) Deleting language relating to the authorization of the family court's extension of jurisdiction by motion and substituting provisions that extend the court's age jurisdiction to 21 from 19 years of age and terminating jurisdiction upon the earlier of:
  - (A) The child's 21st birthday; or
  - (B) The date the child withdraws consent to the extended jurisdiction.

Also, providing that the age of majority remains 18 year of age during the extended jurisdictional period;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives C. Lee, Yamane and Ching.

**SCRep. 38 Agriculture on H.B. No. 290**

The purpose of this bill is to improve the operations of the Department of Agriculture (DOA) by:

- (1) Establishing the Agriculture Inspection and Certification Special Fund (Special Fund) to pay for:
  - (A) Licensure of commission merchants, dealers, brokers, agents, processors, and retail merchants;
  - (B) Administration, operation, and enforcement of laws relating to farm produce, feed, and grades and standards; and
  - (C) Inspection, certification, weighing, or grading of agricultural commodities;

- (2) Specifying that certain fees, charges, expenses, or penalties collected under the regulatory operations of DOA shall be transmitted to the Special Fund;
- (3) Requiring DOA to adopt new or amend existing rules to impose or increase fees collected under the regulatory operations of DOA to pay for the regulatory operations and costs relating to central services and departmental administrative expense assessments; and
- (4) Allowing DOA to enter into cooperative agreements with other public or private entities for:
  - (A) Travel and other expenses for inspectors to perform certain required certification and audit services; and
  - (B) An internet food safety promotional and reporting system.

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

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 290, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 39 Energy & Environmental Protection on H.B. No. 1176**

The purpose of this bill is to effectuate its title.

H.B. No. 1176 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1176, as amended herein, and recommends that it be recommitted to the Committee on Energy & Environmental Protection, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1176, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes and Ito.

**SCRep. 40 Energy & Environmental Protection on H.B. No. 1366**

The purpose of this bill is to work towards improving the energy efficiency of state facilities by ensuring that state agencies that enter into energy performance contracts continue to receive budget appropriations for energy expenditures in an amount that does not fall below the funds appropriated and budgeted for that purpose prior to entering into the performance contract.

The Department of Accounting and General Services, Department of Business, Economic Development, and Tourism, and Noresco testified in support of this bill. The Department of Budget and Finance supported the intent of this measure.

Currently, a number of state agencies have shown interest in retrofitting and upgrading their facilities to improve the energy efficiency of these facilities. However, difficulties have been faced when determining how to pay for these facility improvements. One method currently available to finance these improvements is through energy savings performance contracting. Energy savings performance contracting is a method of paying for facility improvements using energy and operational savings through a contracting vehicle that provides an opportunity to turn wasted energy and operating cost into capital improvements. Typically, the energy cost savings generated by conservation and alternative energy measures are used to pay off the original investment, plus financing and maintenance costs, over the term of the contract. Although this option is currently available to state agencies, uncertainty continues to exist regarding whether the agencies that perform energy efficiency retrofitting will continue to receive budget appropriations for energy expenditures at an amount that does not fall below the pre-retrofitting energy budget. This measure removes this uncertainty by requiring the continued receipt of budget appropriations at no lower than pre-retrofitting energy budget levels.

Additionally, your Committee was informed that clarification is needed with regard to the term of an energy performance contract; if the term included the construction period, agencies would be able to obtain additional solutions with longer payback periods.

Accordingly, your Committee has amended this bill by clarifying that the term of energy performance contracts shall not exceed 20 years following completion of construction.

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

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

**SCRep. 41 Energy & Environmental Protection on H.B. No. 1517**

The purpose of this bill is to work toward reducing Hawaii's dependence on fossil fuels by:

- (1) Requiring the Public Utilities Commission (PUC) to consider:
  - (A) The need to reduce the State's reliance on fossil fuels through energy efficiency and increased renewable energy generation when exercising its statutory authority; and
  - (B) The consequences of importing fossil fuels when making determinations about the reasonableness of costs of utility system capital improvements and operations;

and
- (2) Allowing PUC to determine that short-term or direct costs of alternative energies that are higher than costs associated with fossil fuel are reasonable, considering the consequences of using fossil fuels.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Sierra Club-Hawaii Chapter, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Blue Planet Foundation, and a concerned individual testified in support of this bill. PUC provided comments.

Hawaii relies heavily on fossil fuels for the generation of its energy needs. Altogether, oil and coal account for 92 percent of the resources needed to supply this energy despite the fact that Hawaii has an abundance of renewable energy resources. Dependence on fossil fuels not only leaves our state vulnerable to the fluctuation of global oil and coal markets, but also affects Hawaii's natural environment by producing greenhouse gases and other environmental pollutants. Reducing the State's reliance on fossil fuels will help Hawaii more adequately plan for its energy future as well as protect the natural beauty of our islands.

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. 1517 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 42 Energy & Environmental Protection on H.B. No. 444**

The purpose of this bill is to foster the use of clean transportation thus reducing Hawaii's reliance on imported fossil fuels and generation of greenhouse gas emissions by exempting lessors of electric rental motor vehicles from the Rental Motor Vehicle Surcharge Tax.

The Sierra Club-Hawaii Chapter, EAN Holdings, LLC, High Technology Development Corporation, and Blue Planet Foundation testified in support of this bill. The Department of Taxation supported the intent of this measure. The Department of Transportation opposed this bill. The Tax Foundation of Hawaii provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation with a majority of our oil being imported for use in transportation. Transitioning our automobiles away from the burning of fossil fuels will reduce Hawaii's oil dependence. One way of achieving this goal is to promote the use of electric vehicles and prove their market viability. Consumer incentives, such as the exemption of electric vehicles from the Rental Motor Vehicle Surcharge Tax, albeit small, will provide clean mobility solutions for both residents of and visitors to Hawaii, thereby promoting Hawaii's clean energy future.

While concerns were raised that the exemption of electric vehicles from this surcharge may have a negative impact on revenues contained in the State Highway Fund since this surcharge generated approximately \$40 million in revenues in the 2010 fiscal year, your Committee notes that the fleet of electric vehicles this exemption would apply to is relatively small. According to one motor vehicle rental agency, their motor vehicle fleet consists of several thousand vehicles of which only ten will be electric. Thus, the impact of this surcharge exemption should be minimal.

Nevertheless, your Committee has amended this measure by inserting a sunset provision of two years so that the effects of this measure on the State Highway Fund can be reviewed over that period.

Your Committee has also made technical, nonsubstantive amendments to the bill for the purpose of 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 H.B. No. 444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 444, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 43 Consumer Protection & Commerce on H.B. No. 803**

The purpose of this bill is to:

- (1) Repeal the requirement that \$2,000,000 of revenues from taxes collected from banks and financial institutions under Chapter 241, Hawaii Revised Statutes, be deposited into the Compliance Resolution Fund; and
- (2) Temporarily authorize, from July 1, 2011, to December 31, 2011, the Commissioner of Financial Institutions to adopt rules or impose fees charged to banks and other financial institutions without regard to certain public notice and regulatory review requirements.

The Department of Commerce and Consumer Affairs, Hawaii Bankers Association, and the Hawaii Financial Services Association opposed this measure. The Tax Foundation of Hawaii 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. 803 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, Ito and McKelvey.

**SCRep. 44 Consumer Protection & Commerce on H.B. No. 802**

The purpose of this bill is to increase State revenue by temporarily increasing from January 1, 2011, to December 31, 2015, the tax rate on banks and other financial corporations from:

- (1) 7.92 percent to 8.32 percent on Entire Net Income; and
- (2) Four percent to 4.2 percent on the net capital gain component of the Alternate Tax.

The Hawaii Bankers Association and Hawaii Financial Services Association opposed this measure. 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 802 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, Ito and McKelvey.  
(Representatives Ching and Thielen voted no.)

**SCRep. 45 Consumer Protection & Commerce on H.B. No. 139**

The purpose of this bill is to provide for state regulation of real estate appraisal management companies to comply with the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989. This measure also requires the Department of Commerce and Consumer Affairs (DCCA) to report to the Legislature on the impact of these added regulatory responsibilities, including the costs of implementation and means of financing.

DCCA and the Hawaii Chapter of the Appraisal Institute testified in support 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. 139 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, Ito and McKelvey.

**SCRep. 46 Consumer Protection & Commerce on H.B. No. 110**

The purpose of this bill is to clarify the Uniform Information Practices Act disclosure requirements by clarifying that a license applicant or licensee does not have a significant privacy interest in records which show that:

- (1) Requisite experience for licensure has been met or exceeded;
- (2) Trade examinations have been passed; or
- (3) Adequate bonding is possessed.

Therefore, this bill makes such information contained in government records subject to disclosure.

Americans for Democratic Action/Hawaii and The League of Women Voters of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 110 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, Ito and McKelvey.

**SCRep. 47 Human Services on H.B. No. 760**

The purpose of this bill is to allow working adults with disabilities, who do not have employer prepaid or employer sponsored health care coverage or who earn more than the allowable ceiling, to obtain Medicaid coverage by establishing a Medicaid buy-in program, and to examine issues relating to Medicaid shortfalls by establishing a Joint Legislative Task Force on Medicaid (Task Force).

The Arc of Kona, VSA Hawaii, Goodwill Industries of Hawaii, Inc., Hawaii Waiver Providers Association, the Healthcare Association of Hawaii, and several concerned individuals testified in support of this bill. The Department of Human Services (DHS) opposed this measure. The Hawaii Medical Service Association, Ohana Health Plan, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Specifying that the Task Force composition also include representation from DHS, health care plans, the provider community, and the hospital community;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 760, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti, Hanohano and Wooley.

**SCRep. 48 Human Services on H.B. No. 1005**

The purpose of this bill is to bring the Child Support Enforcement Agency into compliance with recent federal law, to maintain eligibility for federal funding, by including tribal IV-D agencies and foreign countries as defined under federal regulations as authorized agencies relating to child support enforcement.

The Department of the Attorney General provided testimony 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. 1005 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, Wooley and Ching.

**SCRep. 49 Human Services on H.B. No. 1064**

The purpose of this bill is to clarify language in the Child Protective Act, Chapter 587A, Hawaii Revised Statutes, to ensure consistency in practice and compliance with applicable federal requirements, under federal Title IV-E.

The Judiciary, Department of the Attorney General, and Department of Human Services testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064 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, Wooley and Ching.

**SCRep. 50 Water, Land, & Ocean Resources/Agriculture on H.B. No. 1231**

The purpose of this bill is to mitigate the harmful impact of droughts by:

- (1) Appropriating funds as a grant-in-aid to the counties for agricultural drought mitigation measures and projects; and
- (2) Requiring each county drought mitigation committee to report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012 on the status of that county's drought mitigation projects.

The Hawaii Crop Improvement Association, Maui County Farm Bureau, and Hawaii Farm Bureau Federation testified in support of this bill. The Department of Land and Natural Resources offered comments.

Your Committees have amended this bill by removing the appropriation amount to facilitate further discussion. Technical, nonsubstantive amendments have also been made for the purposes of clarity, consistency, and style.



As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1231, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1231, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong and Morita.  
(Representative Riviere voted no.)

**SCRep. 51 Economic Revitalization & Business on H.B. No. 810**

The purpose of this bill is to provide incentives for job creation and better salaries for employees by temporarily providing an employment increase tax credit (credit) for a taxpayer that increases, by at least ten percent, the number of employees employed in the taxpayer's business and the total wages paid to the employees, over the previous calendar year.

Retail Merchants of Hawaii supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that owners, officers, directors, shareholders, partners, members, and member managers of the taxpayer shall not be considered as "employees" when determining eligibility for the credit;
- (2) Establishing annual reporting requirements related to the credit; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 810, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 810, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans and Hashem.

**SCRep. 52 Economic Revitalization & Business/Transportation on H.B. No. 260**

The purpose of this bill is to improve management and oversight of contracts relating to county public transit by making the director of a county semi-autonomous public transit agency the chief procurement officer for that agency.

The Department of Transportation Services for the City and County of Honolulu supported this bill.

Your Committees have amended this measure by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 260, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 260, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Nishimoto.

**SCRep. 53 Economic Revitalization & Business/International Affairs on H.B. No. 105**

The purpose of this bill is to improve the effectiveness and efficiency of the out-of-state operations of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Requiring the Auditor to conduct a management and financial audit of DBEDT's out-of-state offices at least once every two years; and
- (2) Repealing provisions that allow DBEDT's out-of-state offices to be exempted from laws relating to audit and accounting, and to compensation.

DBEDT supported the intent of this bill.

During the public hearing on this measure, concerns were raised regarding the costs associated with recurring audits and a suggestion was made to reduce the frequency of the audits to once every three years. Your Committees respectfully request your Committee on Legislative Management to consider this particular issue when deliberating over this measure.

In addition, your Committees note that DBEDT indicated that it leases the property it needs for its out-of-state operations.

Therefore, your Committees have amended this measure by repealing the provision that allows DBEDT's out-of-state offices to be exempted from Section 171, Hawaii Revised Statutes, relating to real property acquisition. Other technical, nonsubstantive amendments have been made for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 105, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 105, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 54                    Transportation on H.B. No. 1239**

The purpose of this bill is to establish a transportation alternative for the interisland transport of individuals and property. Specifically, this measure:

- (1) Establishes a Hawaii State Ferry System Authority (Authority) to provide and oversee a statewide ferry service for the transportation of people and cargo between islands;
- (2) Establishes a Hawaii State Ferry System Special Fund to be used by the Authority to operate a statewide ferry system; and
- (3) Provides unspecified funds for the start-up and operation of the Hawaii State Ferry System.

The Hawaii Farm Bureau Federation and Maui County Farm Bureau testified in support of this bill. The Department of Transportation supported the intent of this measure. 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 and that the costs of establishing such a system are unknown. Nevertheless, your Committee finds that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1239 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.  
(Representative Fontaine voted no.)

**SCRep. 55                    Transportation on H.B. No. 1020**

The purpose of this bill is to improve the management of the Aloha Tower area in light of the elimination of the operating budget of the Aloha Tower Development Corporation (ATDC) by:

- (1) Abolishing ATDC;
- (2) Transferring all rights, powers, functions, duties, and assets of ATDC to the Department of Transportation (DOT);
- (3) Establishing the boundaries of the Aloha Tower area to be controlled by the Hawaii Community Development Authority (HCDA);
- (4) Administratively placing the Harbors Modernization Group (HMG) under DOT;
- (5) Establishing the jurisdiction of HMG, including jurisdiction over various harbor projects;
- (6) Establishing the composition of HMG;
- (7) Creating the Aloha Tower Fund (Fund) and establishing the revenue stream for the Fund; and
- (8) Appropriating moneys from the Fund for consultant services to implement the commercial harbors modernization plan and the Aloha Tower Marketplace Project.

The Department of Business, Economic Development, and Tourism testified in support of this bill. DOT supported the intent of this measure. HCDA provided comments.

In 1981, it was determined that lands encompassing the Aloha Tower Complex along the Honolulu waterfront were a valuable asset that should be redeveloped, renovated, and improved to better serve the economic, maritime, and recreational needs of the people of Hawaii. To accomplish this task, the ATDC was established. However, recent difficulties faced by the ATDC forced the Legislature to rethink its position regarding its viability and in 2010 eliminated ATDC's operating budget.

In light of this, transferring various functions once carried out by ATDC to both DOT and HCDA would improve the overall management of the Aloha Tower Complex and improve the overall economic viability of the area. However, your Committee notes the concerns raised by DOT regarding, among other things, the jurisdiction of HCDA and the resolution of debt and other financial issues. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language which, among other things:

- (1) Establishes the Aloha Tower Complex area and designates the boundaries of the area to be controlled by HCDA;
- (2) Stipulates that DOT shall be responsible for the implementation of the harbors modernization plan;
- (3) Transfers all rights, powers, functions, duties, and assets, including leases, of ATDC to HCDA;
- (4) Transfers the Aloha Tower Fund to HCDA; and
- (5) Appropriates an unspecified amount of funds out of the Aloha Tower Fund for operating expenses of HCDA.

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

Your Committee notes that, while much work needs to be done to attain the desired outcome and goals of this measure, the language provided by DOT is a starting point and will allow further discussions to continue on this matter throughout 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. 1020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1020, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 56 International Affairs on H.B. No. 1012**

The purpose of this Act is to appropriate funds for costs related to the planning and operation of security services and activities for the 2011 Asia-Pacific Economic Cooperation Leaders meeting.

The Attorney General supported this bill.

Your Committee has amended this measure by changing its effective date to July 1, 2022, to encourage further discussion. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1012, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Brower, McKelvey and Ward.

**SCRep. 57 Higher Education/Education on H.B. No. 1338**

The purpose of this bill is to better prepare Hawaii's youth for the challenges of the workforce in emerging scientific and technological industries by appropriating funds for science and technology education programs for both students and instructors.

The Department of Business, Economic Development and Tourism and several concerned individuals supported this bill. The College of Education at the University of Hawaii at Manoa supported this measure with amendments. A concerned individual supported the intent of this bill. The University of Hawaii System provided comments.

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. 1338 and recommend that it pass Second Reading and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representatives Mizuno, Saiki and Wooley.

**SCRep. 58 Transportation on H.B. No. 1090**

The purpose of this bill is to promote openness and transparency to the provision of, and allow access to, fuel data essential to energy planning and policy development. Specifically, this measure clarifies:

- (1) That an entire fuel tax return filed with the Director of the Department of Taxation (DOTAX) is a public record available for public inspection;
- (2) That Environmental Response, Energy, and Food Security Tax returns are public record available for public inspection; and
- (3) The statute of limitations for the assessment or refund of the Environmental Response, Energy, and Food Security Tax.

The Department of Business, Economic Development, and Tourism and DOTAX testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Currently, fuel tax returns are available for review. However, under existing statutory language, only certain information contained on a fuel tax return needs to be made public. Likewise, it is unclear as to what information associated with the Environmental Response, Energy, and Food Security Tax can be made public. This measure addresses these issues by clarifying that information contained in returns filed with the Director of Taxation for these

taxes are public record. Allowing for greater access to this information will let policymakers, administrators, and the people of Hawaii make more informed decisions regarding Hawaii's energy future, particularly as additional alternative energy programs are developed.

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. 1090 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 Luke.

**SCRep. 59                    Transportation on H.B. No. 1095**

The purpose of this bill is to promote highway safety by establishing a minimum age of seven years for passengers riding in a three-wheeled moped.

The Department of Transportation and Honolulu Police Department testified in support of this bill.

Three-wheeled mopeds are vehicles designed to carry a passenger seated beside a driver similar to a car. However, three-wheeled mopeds are not crash tested and their light-weight construction and design make them inherently more dangerous than regular cars, greatly enhancing the vulnerability of its occupants in the event of a crash. When Hawaii's traffic code was amended to allow for the use of three-wheeled mopeds on public roads in 2008, the age of the passenger was not discussed. Considering the safety issues involved with these vehicles, it seems logical for age restrictions to be placed on passengers of these vehicles.

Your Committee has amended this bill by raising the minimum age for passengers riding in a three-wheeled moped from seven to 12 years of age.

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. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1095, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Luke.

**SCRep. 60                    Hawaiian Affairs on H.B. No. 395**

The purpose of this bill is to increase matriculation and retention rates of native Hawaiian students by requiring the University of Hawaii (UH) Board of Regents to provide tuition waivers to all native Hawaiian students enrolled at a UH campus.

The Office of Hawaiian Affairs, Papa Ola Lokahi, and many concerned individuals testified in support of this bill. The UH System supported the intent of this measure. Several concerned individuals 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. 395 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Pine.

**SCRep. 61                    Hawaiian Affairs on H.B. No. 696**

The purpose of this bill is to expand the water rights of kuleana landowners by exempting them from all State, county, and municipal taxation, fees, and any other charges in connection with kuleana landowners' appurtenant water rights.

A concerned individual testified in support of this measure. The Department of Land and Natural Resources opposed this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 696 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 62                    Hawaiian Affairs on H.B. No. 1344**

The purpose of this bill is to preserve the availability of poi prepared through customary and traditional Hawaiian cultural food-preparation practices by exempting poi produced by such methods from state food-safety laws, including rules adopted by the Department of Health (DOH) based on the United States Food and Drug Administration's *Food Code* 2009.

Papa Ola Lokahi and numerous concerned individuals testified in support of this bill. The Office of Hawaiian Affairs, Sierra Club-Hawaii Chapter, and several concerned individuals supported the intent of this measure. Several concerned individuals submitted comments.

After careful consideration, your Committee narrowed the scope of this bill. Specifically, the amendments to the bill, among other things:

- (1) Require that an individual producer of hand-pounded poi sell the product directly to consumers, attend a food-safety class, abide by community best practices, and label each batch of hand-pounded poi properly; and

- (2) Subject the individual producer of hand-pounded poi to food sampling and subsequent inspection of the producer's premises by DOH upon a consumer complaint.

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. 1344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1344, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Pine.

**SCRep. 63 Hawaiian Affairs on H.B. No. 1483**

The purpose of this bill is to provide relief to Molokai Irrigation System (MIS) water users and carry out the objectives of the Hawaiian Homes Commission Act, 1920, as amended (HHCA), by:

- (1) Providing water to MIS users who lease tracts of Hawaiian home lands under section 207 of HHCA at a reduced rate from July 1, 2011, to June 30, 2013;
- (2) Requiring the Department of Agriculture to forgive all past due amounts owed by Molokai homestead farmers as of July 1, 2011; and
- (3) Appropriating funds for each year of the 2011-2013 fiscal biennium to cover MIS operational costs.

The Department of Hawaiian Home Lands, Aha Kiole Advisory Committee, and a concerned individual 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 H.B. No. 1483 and recommends that it pass Second Reading and be referred to the Committees on Agriculture and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 64 Hawaiian Affairs on H.B. No. 895**

The purpose of this bill is to ensure the representation of the Hawaiian community on the Board of Land and Natural Resources (BLNR), Commission on Water Resource Management (Water Commission), and Land Use Commission by increasing the memberships of these entities to include a member appointed by the Board of Trustees of the Office of Hawaiian Affairs (OHA) to represent the interests of OHA.

The Department of Land and Natural Resources submitted comments.

After careful consideration, your Committee has amended this bill by:

- (1) Increasing the number of members on the:
  - (A) BLNR, from seven to nine;
  - (B) Water Commission, from seven to nine; and
  - (C) Land Use Commission, from nine to eleven,
 to account for the added representative of OHA;
- (2) Making other technical, conforming amendments to the memberships of the BLNR, Water Commission, and Land Use Commission; 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 is in accord with the intent and purpose of H.B. No. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 65 Hawaiian Affairs on H.B. No. 922**

The purpose of this bill is to expand the potential assignees of a homestead lease by including trustees of land trusts created for the purposes of managing and holding a homestead for the benefit of the lessee and lessee's family members.

Several concerned individuals testified in support of 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. 922 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 66 Hawaiian Affairs on H.B. No. 1224**

The purpose of this bill is to provide adequate funding for the long-term restoration of Kahoolawe by allocating ten percent of the conveyance tax to replenish the Kahoolawe Rehabilitation Trust Fund.

The Kahoolawe Island Reserve Commission, Aha Kiole Advisory Committee, and numerous concerned individuals testified in support of 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. 1224 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 67 Energy & Environmental Protection on H.B. No. 402**

The purpose of this bill is to protect native Hawaiian traditional and customary rights by, among other things:

- (1) Requiring that environmental assessments (EA) and environmental impact statements (EIS) include cultural impact assessments that assess impacts and effects on native Hawaiian culture;
- (2) Establishing requirements as to what should be contained in the cultural impact assessment;
- (3) Requiring public notification and consultation when preparing a cultural impact assessment;
- (4) Establishing, as a condition precedent to acceptance of an EA or EIS, acceptance of a cultural impact assessment by the Office of Hawaiian Affairs (OHA); and
- (5) Providing a definition of a "cultural impact assessment."

OHA, the Association of Hawaiian Civic Clubs, Aha Kiole Advisory Committee, and several concerned individuals testified in support of this bill. The Office of Environmental Quality Control (OEQC) of the Department of Health and Department of Land and Natural Resources supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and NAIOP Hawaii testified in opposition to this bill.

Act 50, Session Laws of Hawaii 2000 (Act 50), amended Hawaii's Environmental Impact Statement Law to require that an EIS assess the effects of a proposed action on the cultural practices of the community and State. Act 50 specifically acknowledged the State's responsibility to protect native Hawaiian cultural practices and the State's past failure to require native Hawaiian cultural impact assessments which has resulted in the loss and destruction of many important cultural resources and has interfered with the exercise of native Hawaiian culture. Ten years later, these issues remain unaddressed. Requirements for assessing cultural impacts do not currently exist within the Hawaii Revised Statutes. As a result vast inconsistencies currently exist in the manner in which cultural impact assessments disclose a project's cultural impact.

Recent incidents regarding cultural impact assessments concerns indicate that disclosure of a project's cultural impact while the project is still in the planning and development stages, makes the most sense. Disclosure of these impacts after a project commences only invites challenges and review, which results in greater costs for the project.

Your Committee notes that many questions and concerns have been raised regarding this measure, particularly its necessity and effectiveness. According to OEQC, a better option to address the concerns raised regarding cultural impact assessments would be to have the affected parties dialogue and petition the State Environmental Council to initiate its statutorily established rulemaking authority to attend to outstanding issues rather than mandating that additional documents be prepared for an EA or EIS. Nevertheless, your Committee finds that this matter is worthy of continued discussion and dialogue.

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. 402 and recommends that it pass Second Reading and be referred to the Committees on Hawaiian Affairs and Culture & the Arts.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes and Ito.

**SCRep. 68 Health on H.B. No. 247**

The purpose of this bill is to better protect the people of the State from sexual violence by permitting the involuntary hospitalization of a sexually violent predator in a psychiatric facility.

The Department of the Prosecuting Attorney of the City and County of Honolulu supported this bill. The Department of Health opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the definition of "sexually violent predator" to include a person who suffers from a mental illness rather than a person who suffers from a mental abnormality or personality disorder;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 247, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 69            Health on H.B. No. 409**

The purpose of this bill is to endorse preventative medicine by creating a tax credit for certain employers who offer their employees a qualified wellness program.

The Hawaii Medical Association and a concerned individual supported this measure. The Healthcare Association of Hawaii supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii offered 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 purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 409, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 70            Health on H.B. No. 594**

The purpose of this bill is to provide for continuing healthcare in Hawaii's communities by appropriating moneys to the Department of Human Services (DHS) to match the federal disproportionate share hospital funds appropriated to the State for Medicaid payments to health care providers as required for the disbursement of the federal moneys.

The Healthcare Association of Hawaii, The Queen's Medical Center, Kaiser Permanente, and a concerned individual testified in support this bill. DHS offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount from \$8,654,621 to \$9,800,000; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 594, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 71            Health on H.B. No. 129**

The purpose of this bill is to reduce substance abuse among pregnant women by appropriating \$200,000 in each year of the 2011-2013 fiscal biennium for the Perinatal Addiction Treatment of Hawaii Clinic for case management and other social services.

Healthy Mothers Healthy Babies Coalition of Hawaii, the March of Dimes Foundation Hawaii Chapter, the League of Women Voters Hawaii, Planned Parenthood of Hawaii, the Hawaii State Democratic Women's Caucus, the Drug Policy Forum of Hawaii, the Women's Coalition, and many concerned individuals testified in support of this bill. The Department of Health supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 129, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 72            Health on H.B. No. 691**

The purpose of this bill is to appropriate funds for a suicide prevention coordinator within the Department of Health (DOH) and for suicide prevention services within the Department of Education.

The Department of Education, Hawaii Youth Services Network, and several concerned individuals provided testimony in support of this measure.

The Department of Health testified that a fully-funded and filled teen suicide prevention coordinator position already exists within the Department. Therefore, your Committee finds that appropriations in the bill to fund that position within the DOH are unnecessary.

Your Committee has amended this bill by:

- (1) Removing the reference to "law enforcement personnel" and replacing "other persons who have contact with individuals at risk of suicide" with "personnel who deal with children at work or in a recreational capacity";
- (2) Eliminating the appropriation for the suicide prevention coordinator within the DOH; and
- (3) 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. 691, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 691, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 73            Health on H.B. No. 598**

The purpose of this bill is to help increase hospital emergency room coverage by on-call physicians by establishing a tax credit for those physicians who provide on-call services to hospital emergency rooms.

The Queen's Medical Center, Hawaii Medical Services Association, Hawaii Medical Association, Healthcare Association of Hawaii, Hawaii Association for Justice, and a concerned individual supported this bill. 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 598 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 74            Health on H.B. No. 484**

The purpose of this bill is to help ensure that advanced practice registered nurses are used to their full potential by requiring each hospital in the State to allow licensed advanced practice registered nurses to practice within the full scope of their authorized practice, including as primary care providers.

The University of Hawaii, Manoa School of Nursing and Dental Hygiene; Hawaii State Center for Nursing; Hawaii Medical Service Association; St Francis Healthcare System; and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 484 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 Wooley.

**SCRep. 75            Health on H.B. No. 613**

The purpose of this bill is to provide Hawaii consumers with greater flexibility, coverage, and pricing options for accident and health or sickness insurance by making permanent provisions that permit small accident and health or sickness insurers who lack coercive power in the marketplace to bundle different classes of insurance.

The Hawaii Medical Assurance Association and Natural Cancer Wellness Foundation supported this bill. The Department of Commerce and Consumer Affairs opposed this measure. The Hawaii Medical Service Association 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. 613 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.



Signed by all members of the Committee except Representative Wooley.

**SCRep. 76 Health on H.B. No. 507**

The purpose of this bill is to work toward preventing falls and fall-related injuries among Hawaii's elderly by:

- (1) Establishing the position of a Statewide Fall Prevention and Early Detection Coordinator within the Department of Health (DOH); and
- (2) Appropriating an unspecified amount of funds for this position.

The Elderly Affairs Division of the City and County of Honolulu, Injury Prevention Advisory Committee, Project Dana, Child & Family Service, St. Francis Healthcare System, and several concerned individuals testified in support of this bill. DOH supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 507, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 77 Human Services on H.B. No. 772**

The purpose of this bill is to effectuate its title.

H.B. No. 772 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out H.B. No. 772, 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. 772, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Hanohano and Wooley.

**SCRep. 78 Judiciary on H.B. No. 258**

The purpose of this bill is to maintain the integrity and transparency of the electoral system by:

- (1) Requiring a candidate committee:
  - (A) In an election year, to file a preliminary report on July 5, instead of July 31, and then file an additional preliminary report on September 30; and
  - (B) Prior to an election year, to file a supplemental report every six months on January 31 and July 31 until the election year;
 and
- (2) Requiring a noncandidate committee to file an additional report on September 30.

The Campaign Spending Commission testified in support of this bill.

Your Committee has amended this bill by changing the effective date to January 7, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 258, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 79 Higher Education on H.B. No. 55**

The purpose of this bill is to provide incentives for families to save for college education expenses by providing a tax credit to apply to certain contributions made to a Hawaii College Savings Program account.

The Hawaii Association of Independent Schools supported this bill. The Department of Budget and Finance supported the intent of this measure. The Department of Taxation 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 55, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Chang and Saiki.

**SCRep. 80 Higher Education on H.B. No. 830**

The purpose of this bill is to repeal state authorization for a not-for-profit corporation to function as a secondary market student loan purchaser in Hawaii, in accordance with federal regulations passed in 2010 that terminated new student loan originations by private entities.

Several concerned individuals supported this bill. American Savings Bank supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 830 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, Chang and Saiki.

**SCRep. 81 Higher Education on H.B. No. 1329**

The purpose of this bill is to help ensure quality education in the State by requiring the Legislative Reference Bureau to:

- (1) Examine the Higher Education Act of 1965, as amended, to determine actions and changes required for the State to comply with new federal regulations;
- (2) Examine existing licensing and authorization functions; and
- (3) Make recommendations regarding whether the administration of these licensing and authorization functions should be consolidated and tasked to a single state agency.

The Department of Education supported this bill. The University of Hawaii, Hawaii Teacher Standards Board, and National Independent Educator Standards Boards Association provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the new federal regulations regarding state authorization apply to private, and not public, higher education institutions;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1329, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti, Chang and Saiki.

**SCRep. 82 Higher Education on H.B. No. 1442**

The purpose of this bill is to assist the fishing industry on the Island of Hawaii by requiring the Pacific Aquaculture and Coastal Resources Center at the University of Hawaii at Hilo (UH Hilo) to conduct a study on the feasibility of developing a public entity on the Island of Hawaii modeled after the commercial fishing village at the City and County of Honolulu's Pier 38.

A concerned individual supported this bill with amendments. UH Hilo supported the intent of this measure.

Your Committee has amended this by:

- (1) Clarifying language in the purpose section to specify the nature of the pier and commercial fishing village; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1442, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, Chang and Saiki.

**SCRep. 83 Higher Education on H.B. No. 1457**

The purpose of this bill is to ensure that state funds are being used in a fiscally responsible manner by:

- (1) Requiring the University of Hawaii (UH) to annually report to the Director of Finance on the number of students who have sufficient credits to graduate, but have not graduated and the additional cost to UH attributable to each of these students; and
- (2) Requiring the Director of Finance to assess UH for the corresponding additional cost to the State.

UH provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1457 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, Chang and Saiki.

**SCRep. 84 Higher Education on H.B. No. 1555**

The purpose of this bill is to help encourage responsible and culturally-relevant marine stewardship by authorizing the University of Hawaii (UH) at Hilo to establish a research program to work with the federal government over the stewardship of marine protected areas.

The University of Hawaii Professional Assembly and several concerned individuals supported this bill. UH supported this measure with amendments. A concerned individual opposed this measure. A concerned individual provided comments.

Your Committee has amended this measure by including the stewardship of aquaculture under the purview of the research program.

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. 1555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1555, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Belatti, Chang and Saiki.

**SCRep. 85 Education on H.B. No. 338**

The purpose of this bill is to implement the constitutional amendment to Article X of the Hawaii State Constitution by providing the framework and nomination process for an appointed Board of Education (Board).

The Special Education Advisory Council and several concerned individuals supported this bill. Outrigger Hotels Hawaii supported the intent of this measure. The League of Women Voters of Hawai'i and several concerned individuals opposed this bill. The Governor, Office of Information Practices, Office of Hawaiian Affairs, and several concerned individuals provided comments.

Your Committee has amended this bill by replacing its contents with provisions that set terms and conditions for a voting public high school student member on an appointed Board.

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. 338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Mizuno and Nakashima.

**SCRep. 86 Education on H.B. No. 339**

The purpose of this bill is to help increase the quality of education in Hawaii by authorizing the Superintendent of Education to:

- (1) Reconstitute public schools, except for charter schools, that are in restructuring for four or more school years; and
- (2) Recommend to the Charter School Review Panel actions that should be taken to reconstitute a charter school that has been in restructuring for four or more school years, including the revocation of school's charter.

The Department of Education and a concerned individual supported this bill. The Hawaii Government Employees Association, Hawaii State Teachers Association, and a concerned individual opposed this measure. The Hawaii Charter Schools Network provided comments.

Your Committee has amended this bill by clarifying that charter schools are excepted from the Superintendent's authorization to reconstitute a public school.

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. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Mizuno and Nakashima.

**SCRep. 87                    Education on H.B. No. 625**

The purpose of this bill is to help ensure that state land is used for the best possible purpose by requiring land and facilities under the jurisdiction of the Department of Education (DOE) that have not been used for school purposes for 20 consecutive years, and that are not being used for specified alternative uses, be transferred to the Department of Land and Natural Resources (DLNR).

Ho'okako'o Corporation supported this bill. DOE and DLNR supported this measure with amendments. The Charter School Administrative Office supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Removing the requirement that the state land which is transferred must not have been used for school purposes for 20 consecutive years;
- (2) Requiring DOE to consult with the Board of Land and Natural Resources prior to the final transfer of land; 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. 625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 625, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Chang, Mizuno and Nakashima.

**SCRep. 88                    Education on H.B. No. 688**

The purpose of this bill is to create a safe and civil learning environment for all students in public schools by requiring the Department of Education to maintain and monitor anti-bullying and anti-harassment policies and procedures.

The Hawaii State Teachers Association, Hawaii Youth Services Network, Japanese American Citizens League, Pride At Work Hawai'i, Mental Health America of Hawai'i, a member of the Board of Education, and several concerned individuals supported this bill. The Department of Education opposed this measure. Several concerned individuals provided comments.

While this bill requires additional work for both content and clarity as it proceeds through the legislative process, your Committee feels that the topic is both timely and vital to the safety of Hawaii's keiki. Your Committee looks forward to working with the Committee on Judiciary, should this measure continue forward.

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

Signed by all members of the Committee except Representatives Chang, Mizuno and Nakashima.

**SCRep. 89                    Education on H.B. No. 773**

The purpose of this bill is to assist Saint Louis School, a Hawaii not-for-profit corporation, with the financing or refinancing of planning, construction, and improvement projects by authorizing \$30,000,000 in special purpose revenue bonds.

The Hawaii Association of Independent Schools and several concerned individuals supported this bill. Saint Louis School supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 773 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, Mizuno, Nakashima and Fontaine.

**SCRep. 90 Education on H.B. No. 1213**

The purpose of this bill is to help ensure the continued maintenance and repair of public schools in a fiscally responsible manner by requiring the Department of Education to accept parents, legal guardians, students, and members of the community as volunteers, pursuant to chapter 90, Hawaii Revised Statutes, to provide construction or project-related services.

Several concerned individuals 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. 1213 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, Mizuno and Nakashima.

**SCRep. 91 Education on H.B. No. 1313**

The purpose of this bill is to assist Windward Nazarene Academy, a Hawaii not-for-profit corporation, with the planning, construction, improvement, equipping, and renovation of its educational facilities by authorizing \$15,000,000 in special purpose revenue bonds.

The Hawaii Association of Independent Schools and several concerned individuals supported this bill. Windward Nazarene Academy and a concerned individual provided comments.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1313, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Mizuno and Nakashima.

**SCRep. 92 Education/Labor & Public Employment on H.B. No. 953**

The purpose of this bill is to provide for the required flexibility to recruit qualified individuals for certain leadership positions within the Department of Education by repealing the Board of Education's authority to set the salaries of the deputy superintendent, assistant superintendents, and complex area superintendents, and repealing the salary cap imposed on these positions.

The Department of Education supported this bill.

Your Committees have amended this bill by:

- (1) Maintaining the Board of Education's authority to set the salaries of the specified positions;
- (2) Removing the 80 percent cap on salaries, thereby setting the cap at the Superintendent of Education's salary; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 953, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 953, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Chang, Mizuno, Saiki, Souki and Wooley.

**SCRep. 93 Education/Labor & Public Employment on H.B. No. 1056**

The purpose of this bill is to help satisfy federal Race to the Top requirements by permitting the Department of Education to determine alternative routes to certification for principals and vice-principals.

The Department of Education supported this bill.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1056 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, Chang, Mizuno, Saiki, Souki and Wooley.

**SCRep. 94 Education/Labor & Public Employment on H.B. No. 1540**

The purpose of this bill is to help ensure that public school teachers are sufficiently qualified by making permanent statutory provisions that:

- (1) Require unlicensed teachers hired on an emergency basis prior to July 1, 2008, to become licensed within four years of the date of employment; and

- (2) Limit the maximum employment period for teachers hired on an emergency basis on or after July 1, 2008, to three years.

The Department of Education supported 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. 1540 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, Chang, Mizuno, Saiki, Souki and Wooley.

**SCRep. 95            Agriculture on H.B. No. 865**

The purpose of this bill is to provide additional funding for efforts to prevent and control invasive species by raising the inspection, quarantine, and eradication service fee from 50 cents to \$1 for every 1,000 pounds of freight brought into the State.

The Department of Land and Natural Resources and Hawaii Crop Improvement Association supported this bill. The Nature Conservancy of Hawaii supported the intent of this measure. Horizon Lines, LLC, opposed this bill. The Department of Agriculture, Maui County Farm Bureau, Alexander & Baldwin, Inc., Matson Navigation Company, Inc., and a concerned individual submitted comments.

Your Committee has amended this measure by changing its effective date to July 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 865, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 96            Agriculture on H.B. No. 1185**

The purpose of this Act is to support agricultural infrastructure in east Kauai by appropriating funds for the operation and maintenance of the East Kauai Irrigation System.

The East Kauai Water Users' Cooperative, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, Hawaii Crop Improvement Association, Syngenta Hawaii LLC, and a concerned individual supported this bill. The Department of Agriculture and the Agribusiness Development Corporation supported the intent of this measure. The Department of Land and Natural Resources submitted comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1185, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 97            Agriculture on H.B. No. 1248**

The purpose of this bill is to provide affordable access to loans for new farmers by enhancing the New Farmer Program (Program). Specifically, this bill:

- (1) Reduces the number of credit denials required to qualify for the Program from two to one;
- (2) Changes the interest rate on Program loans from six percent a year to a rate of one and one-half percent below the prime rate or six percent, whichever is less;
- (3) Raises the ceiling on Program loans from \$100,000 to \$250,000; and
- (4) Appropriates funds for the Program.

The Department of Agriculture, Hawaii Farm Bureau Federation, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1248 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 98            Agriculture/Water, Land, & Ocean Resources on H.B. No. 868**

The purpose of this bill is to enhance public safety and address needed infrastructure improvements by:

- (1) Expanding the authorized uses of the Agricultural Development and Food Security Special Fund (Special Fund) to include dams and reservoirs, and specifying that authorized uses include investigative studies to identify and assess necessary improvements to dams, reservoirs, irrigation systems, and transportation networks; and
- (2) Authorizing the issuance of general obligation bonds to be deposited into the Special Fund and expended for plans, design, construction, and other related costs for dam, reservoir, or irrigation system improvements.

Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, the Land Use Research Foundation of Hawaii, Maui County Farm Bureau, Kamehameha Schools, Grove Farm Company, Inc., and a concerned individual supported this bill. The Department of Agriculture (DOA) supported the intent of this measure.

Your Committees note that although DOA supported the intent of this bill, it raised concerns regarding the provision that requires private matching funds to access Special Fund monies provided for in this measure. DOA indicated that it would not be able to provide the necessary private matching funds, which would prevent DOA from accessing the Special Fund. Your Committees intend to continue work on this particular issue as this bill moves forward.

Your Committees have amended this measure by:

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

As affirmed by the 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. 868, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 868, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 99            Labor & Public Employment/Economic Revitalization & Business on H.B. No. 341**

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

The Hawaii State AFL-CIO, Hawaii Laborers' Union, Democratic Party of Hawaii, The Mestizo Association, ILWU Local 142, International Brotherhood of Electrical Workers, International Brotherhood of Electrical Workers Local 1260, Hawaii Government Employees Association, and one individual testified in support of this bill. The Department of Labor and Industrial Relations supported the intent of this bill. The City and County of Honolulu Department of Human Resources, National Federation of Independent Business Hawaii, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Limited, Hawaii Bankers Association, Hawaii Credit Union League, Society for Human Resource Management – Hawaii Chapter, The Chamber of Commerce of Hawaii, and Hawaiian Telcom testified in opposition to this measure.

Your Committees find that employees are sometimes unfairly penalized for using accrued and available sick leave when they are legitimately ill. This measure allows employees to use their sick leave when there is a legitimate need without fear of reprisal, and will also allow employers the right to penalize those employees who abuse their sick leave.

Your Committees have amended this bill by:

- (1) Allowing employers and labor organizations to require a physician's verification indicating an employee was ill when sick leave was used; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 341, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 341, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 100           Labor & Public Employment/Economic Revitalization & Business on H.B. No. 463**

The purpose of this bill is to ensure the proper and expedient treatment of injured employees by allowing employee-selected physicians or surgeons to conduct diagnostic testing or engage in a one-time consultation for subspecialty diagnostic evaluation and treatment recommendations from a board-certified or licensed specialist.

The Department of Labor and Industrial Relations (DLIR), Hawaii Injured Workers Alliance, ILWU Local 142, Hawaii Medical Association, Hawaii Chapter-American Physical Therapy Association, Work\*Star Injury Recovery Center, and several concerned individuals testified in support of this bill. The Department of Human Resources Development, City and County of Honolulu Department of Human Resources, County of Hawaii Department of Human Resources, Hawaii Insurers Council, and Property Casualty Insurers Association of America testified in opposition to this measure.

Your Committee finds that currently, injured employees' treatment is being delayed while awaiting approval for certain health care services. This is detrimental to the efficient and effective treatment of an injured employee, and ultimately increases treatment and recovery time, and costs incurred for treatment.

Allowing employee-selected physicians or surgeons the option to conduct diagnostic testing or make one referral to a board-certified or licensed specialist will allow for accurate and immediate diagnosis, which is essential to determining the best and most effective treatment plan.

Your Committees have amended this bill by:

- (1) Adding language to clarify that no more than one consultation for subspecialty services is authorized by the employee-selected physicians or surgeon;
- (2) Requiring the physician or surgeon to notify DLIR and the employer if a subspecialty consultation is referred to a board-certified or licensed specialist; 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 Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 463, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 463, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Souki.

**SCRep. 101 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 464**

The purpose of this bill is to protect the rights of injured employees by requiring any employer denying compensability or indicating that compensability is not accepted to submit a written report describing the employer's investigation to the Director of Labor and Industrial Relations (Director) and the claimant within thirty days, which period may not be extended.

The Department of Labor and Industrial Relations, ILWU Local 142, Hawaii Chapter - American Physical Therapy Association, Hawaii Injured Workers Alliance, WorkStar Injury Recovery Center, and several concerned individuals testified in support of this measure. The Department of Human Resources Development, City and County of Honolulu Department of Human Resources, County of Hawaii Department of Human Resources, The Chamber of Commerce of Hawaii, Society for Human Resource Management – Hawaii Chapter, National Federation of Independent Business Hawaii, Property Casualty Insurers Association of America, and Hawaii Insurers Council opposed this bill.

Your Committees find that the current procedures for evaluating claims for workers' compensation allow claims to go unanswered pending investigation for an unreasonable amount of time. In addition, current law allows the Director to extend the time granted for an investigation.

As a result, injured workers go without the benefits they need for proper treatment, and suffer serious physical and psychological harm. This measure is required to balance the time necessary for employers to investigate claims for workers' compensation with the need of injured workers for timely decisions.

Your Committees have amended this bill by changing the effective date to January 1, 2095.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 464, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 464, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 102 Labor & Public Employment on H.B. No. 558**

The purpose of this bill is to ensure fair compensation to private sector employees by requiring any private sector employer entering into a service contract in excess of \$25,000 with any government agency, to certify that wages or salaries paid to the employee providing the service will be not less than the wages paid to the public employees in the State doing similar work.

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

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



**SCRep. 103 Labor & Public Employment on H.B. No. 587**

The purpose of this bill is to expand the scope of the counties' executive and administrative structure by authorizing each county to appoint and remove its liquor administrator pursuant to its county charter. This measure also establishes certain powers and duties of the liquor administrator.

The Mayor of the City and County of Honolulu, Hawaii Council of Mayors, and a Kauai County Councilmember supported this measure. The Department of Liquor Control of the County of Maui offered comments.

Currently, the charters of Hawaii, Kauai, and Maui counties contain provisions for the appointment and removal of a liquor administrator. This measure will facilitate the adoption of comparable charter provisions for the City and County of Honolulu.

Your Committee amended this bill by:

- (1) Clarifying that a liquor administrator shall be appointed and may be removed by the liquor commission unless it is otherwise stated in the county charter; and
- (2) Making technical, nonsustantive amendments for style, clarity, and consistency.

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. 587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 587, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 104 Transportation on H.B. No. 1100**

The purpose of this bill is to continue the revenue stream for airport improvement projects by ensuring that the Department of Transportation (DOT) is able to collect the maximum Passenger Facility Charge (PFC) rate allowed by the Federal Aviation Administration (FAA).

DOT testified in support of this bill. The Tax Foundation of Hawaii provided comments.

In 2003, the Legislature authorized DOT to begin collecting PFCs on enplaning passengers and for those charges to be deposited into the PFC Special Fund. Revenues in the PFC Special Fund are required to be used for airport improvement projects approved by the Legislature and as permitted under the federal Aviation Safety and Capacity Expansion Act of 1990. Once a project has been approved, airlines and travel agents begin collecting the PFC. The FAA establishes the rate of the PFC, which is presently set at \$4.50 per passenger.

In Hawaii, the PFC and PFC Special Fund are administered by DOT and governed by the Hawaii Administrative Rules (HAR). Should the FAA adjust the maximum allowable PFC rate for Hawaii, the HAR governing the PFC must be changed in accordance with the rulemaking provisions of Chapter 91, Hawaii Revised Statutes. This process can be timely and result in the loss of revenues for Hawaii's airports. Allowing the PFC rate to be adjusted by DOT without going through the rulemaking process will allow for DOT to more effectively collect the maximum revenue for airport-related projects.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1100 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 Luke.

**SCRep. 105 Transportation on H.B. No. 1097**

The purpose of this bill is to maintain one source of revenue stream for the State Highway Fund (Fund) by permanently increasing the rental motor vehicle surcharge tax from \$2 to \$3 per day.

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

Act 223, Session Laws of Hawaii 1999, temporarily raised the motor vehicle rental surcharge tax from \$2 to \$3 per day to bolster lagging highway fund revenues during difficult economic times. With the dramatic downturn in both the national and State economies over the last several years, the State Highway Fund continues to dwindle with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. This is due in part to rising fuel costs and decreasing fuel consumption which has resulted in decreased fuel tax revenues. As a result, our land transportation system has failed to address increased transportation demands, with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for the upkeep and improvement of our roadways.

According to DOT, the additional surcharge provided for in this measure will generate approximately \$13.4 million in annual revenues for the Fund and loss of this revenue stream will have a serious impact on Hawaii's highways. Your Committee finds that prudent action needs to be taken to maintain State Highway Fund revenue levels and that this matter deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1097 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 Luke.  
(Representative Fontaine voted no.)

**SCRep. 106 Consumer Protection & Commerce on H.B. No. 112**

The purpose of this bill is to authorize the Director of Commerce and Consumer Affairs to designate an access organization to oversee the development, operation, supervision, management, production, and broadcasting of programs of public, educational, and governmental channels on cable television.

This measure also authorizes the Cable Advisory Committee to advise the Director of Commerce and Consumer Affairs on any decision designating, modifying, or rescinding the designation of an access organization.

The Department of Commerce and Consumer Affairs, 'Ōlelo Community Television, Media Council Hawaii, Community Alliance on Prisons, Life of the Land, Americans for Democratic Action/Hawaii, and many concerned individuals testified in support of this bill. The State Procurement Office 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. 112 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, Ito and McKelvey.

**SCRep. 107 Consumer Protection & Commerce on H.B. No. 560**

The purpose of this bill is to provide funding commencing July 1, 2011, for the interest payments from the previous fiscal year on General Obligation bonds issued for Department of Commerce and Consumer Affairs' infrastructure improvements by transferring funds from the Compliance Resolution Fund.

The Department of Commerce and Consumer Affairs opposed 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. 560 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, Ito and McKelvey.

**SCRep. 108 Consumer Protection & Commerce on H.B. No. 798**

The purpose of this bill is to assess the general excise tax on the death benefit or other gross income derived from life settlement, bank-owned life, and corporate-owned life insurance policies issued after June 30, 2011. Compensation received by an insured for the transfer of a policy or designation of a beneficiary, or death benefits paid to a person related to the insured are exempted.

The Department of Taxation testified in support of this bill. The Chamber of Commerce of Hawaii, the Hawaii Bankers Association, the Hawaii Business League, the American Council of Life Insurers, and the National Association of Insurance and Financial Advisors Hawaii opposed this measure. The Tax Foundation of Hawaii and Prudential Financial 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. 798 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, Ito and McKelvey.  
(Representative Ching voted no.)

**SCRep. 109 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 424**

The purpose of this measure is to extend the temporary exemption from the environmental impact statement law afforded to action involving infrastructure within an existing public right-of-way.

More specifically, this measure would amend Act 87, Session Laws of Hawaii 2009, by changing the date of its repeal from June 30, 2011, to July 1, 2013.

Testimony in support of the measure was submitted by the Office of Environmental Quality Control of the Department of Health, the Department of Transportation, the Commercial Real Estate Development Association Hawaii Chapter, the Chamber of Commerce of Hawaii, the Building Industry Association of Hawaii, the Kapolei Chamber of Commerce, the Hawaii Association of Realtors, the Hawaiian Electric Company and its subsidiaries, the Hawaii Electric Light Company, the Maui Electric Company, and the Land Use Research Foundation of Hawaii. Testimony in opposition was submitted by one private individual.

Your Committee finds that this measure will save time and money for state agencies and proponents of small projects that are not environmentally harmful from the requirements of environmental impact statements.

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. 424 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, Carroll, Herkes and Ito.

**SCRep. 110 Water, Land, & Ocean Resources on H.B. No. 836**

The purpose of this bill is to require the State or, alternatively, the counties to exercise its power of eminent domain against private property owners upon the request of an adjacent owner of land.

The Department of Land and Natural Resources (DLNR) and Department of the Corporation Counsel of the City and County of Honolulu (Corporation Counsel) opposed this bill.

After careful consideration, your Committee has amended this bill by amending the definition of "private property" to mean a privately owned highway, roadway, or lane; provided that ownership of the privately owned highway, roadway, or lane is not determinable through public searches at the Bureau of Conveyances, Land Court, or real property tax division of any county. Technical, nonsubstantive amendments have also been made for the purposes of clarity, consistency, and style.

Your Committee acknowledges that DLNR expressed reservations about personal-injury litigation and the Corporation Counsel raised constitutional concerns with respect to this bill. However, your Committee respectfully requests that the Committee on Judiciary further examine these issues.

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. 836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 836, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 111 Public Safety & Military Affairs on H.B. No. 1088**

The purpose of this bill is to provide necessary medical and mental health treatment to inmates and detainees in an efficient and expedient manner by establishing proceedings to authorize the Department of Public Safety (DPS) to provide such treatment to inmates and detainees in its custody when those inmates and detainees refuse the treatment.

DPS testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1088 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee.

**SCRep. 112 Public Safety & Military Affairs on H.B. No. 1622**

The purpose of this bill is to construct a law enforcement memorial with private funds within the Capitol District preferably on the Diamond Head side of the Kalanimoku Building.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622 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.

**SCRep. 113 Public Safety & Military Affairs on H.B. No. 313**

The purpose of this bill is to reduce recidivism and help inmates make a successful transition back into the community by:

- (1) Establishing the Hawaiian Cultural Restoration Program (Program) as a temporary pilot program within the Department of Public Safety (PSD);
- (2) Specifying that the Program select non-violent inmates to participate in the restoration and rebuilding of culturally historic sites; and
- (3) Requiring the Office of Hawaiian Affairs (OHA) to determine and identify the sites to be restored by the Program and to ensure that such sites are on rural lands.

This measure also appropriates funds for the Program and requires that funds allocated to the program result in reduced appropriations to OHA of an equal amount. The Program is scheduled to end on June 30, 2015.

The Department of Hawaiian Home Lands testified in support of this bill. Community Alliance on Prisons and the National Association of Reformed Criminals supported the intent of this measure. PSD, OHA, and the Society for Hawaiian Archaeology offered comments.

Your Committee has amended this bill by:

- (1) Replacing the provision that OHA ensures that the selected sites are on rural lands with a provision that the State Historic Preservation Division review and approve all proposed work on selected historic sites; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 313, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 114            Public Safety & Military Affairs on H.B. No. 142**

The purpose of this bill is to require the Attorney General to coordinate a review of the impact that diversion of drug possession offenders into drug treatment would have on:

- (1) The criminal justice system;
- (2) Drug treatment program resources; and
- (3) Public safety.

The Community Alliance on Prisons, the Drug Policy Forum of Hawaii, and the Drug Policy Action Group testified in support of this measure. The Judiciary supported the intent of this measure. The Department of the Attorney General provided comments.

Your Committee amended this bill by:

- (1) Expanding the scope of the review to include all drug possession offenders;
- (2) Changing the date by which the Attorney General is to submit a report on the findings and recommendations of the review, to one year following the enactment of this measure; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 142, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 115            Human Services on H.B. No. 1066**

The purpose of this bill is to make the following emergency appropriations from the general fund:

- (1) \$11,523,511 for fiscal year (FY) 2010-2011 to the Department of Human Services (DHS) for cash support for families – self sufficiency (HMS 211) to address the funding shortfall for cash support payments for families with dependent children; and
- (2) \$47,322,170 for FY 2010-2011 to DHS for general support for self sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts.

DHS submitted testimony in support of this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 102 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

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. 1066 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, Wooley and Ching.

**SCRep. 116            Human Services on H.B. No. 1067**

The purpose of this bill is to ensure that youth committed to the Hawaii Youth Correctional Facility will not be transferred to adult correctional facilities where they could be exposed to serious adult offenders and subjected to possible physical, mental, and sexual assault by repealing section 352-28,

Hawaii Revised Statutes, which authorizes the Office of Youth Services Executive Director, with approval of the Family Court, to transfer youth, who are at least 16 years of age, to an adult correctional facility for disciplinary or other reasons.

The Department of Human Services, Office of Youth Services, and Community Alliance on Prisons 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. 1067 and recommends that it pass Second Reading and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Belatti, Wooley and Ching.

**SCRep. 117          Human Services on H.B. No. 1476**

The purpose of this bill is to expedite waiver-of-family-court-jurisdiction cases by mandating the waiver of jurisdiction and ordering of the minor to a youth correctional facility for criminal proceedings where the family court finds that the minor:

- (1) Is 15 to 17 of age; and
- (2) Allegedly committed an act that would constitute first degree murder if committed by an adult and no other charges arise from the alleged act.

This bill also authorizes the circuit court to remand the minor to the family court under certain circumstances upon motion by the minor.

The American Civil Liberties Union of Hawaii opposed this bill. The Judiciary offered comments.

Your Committee finds that requiring the Office of Youth Services/Hawaii Youth Correctional Facility to house both waived and non-waived juveniles is inadvisable.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the requirement that the minor be held in a youth correctional facility; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1476, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 118          Human Services on H.B. No. 946**

The purpose of this bill is to:

- (1) Establish the offense of human trafficking in the first degree;
- (2) Establish the offenses of sexual human trafficking in first and second degrees;
- (3) Establish a civil action for damages to victims of human trafficking; and
- (4) Include sexual human trafficking among the offenses that the Attorney General is to give greatest priority to in providing security, protection, and funding under the statewide witness program.

The Hawaii Family Forum, Hawaii Catholic Conference, Life of the Land, and a concerned individual submitted testimony in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 946, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Belatti, Wooley and Ching.

**SCRep. 119      Agriculture on H.B. No. 1524**

The purpose of this bill is help deter agricultural theft by establishing that possession of more than five pounds of an agricultural product while on the premises and without the consent of the owner is prima facie evidence that the product is or has been stolen, unless a bill of sale is provided.

The Department of Agriculture supported this bill. The Maui County Farm Bureau opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1524, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 120      Agriculture on H.B. No. 528**

The purpose of this bill is to assist farmers and ranchers in applying for and obtaining available federal funds by appropriating funds to establish a grant-writer position within the Department of Agriculture (DOA).

DOA supported this bill. The Maui County Farm Bureau submitted comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 528, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 121      Housing on H.B. No. 755**

The purpose of this bill is to streamline the public housing eviction process by:

- (1) Conforming procedural requirements to federal law; and
- (2) Requiring eviction hearings to be conducted by hearings officers appointed by the Hawaii Public Housing Authority (HPHA).

Several concerned individuals testified in support of this bill. The HPHA opposed this measure.

The public housing eviction process has numerous procedural requirements that could be streamlined by conforming to federal law. Additionally, allowing hearings officers to conduct eviction hearings will reduce delays; however, your Committee believes that the selection of these hearings officers should be conducted with collaboration from the Department of Human Services (DHS).

Accordingly, your Committee has amended this bill by requiring hearings officers to be appointed by HPHA, in collaboration with DHS.

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. 755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 122      Health on H.B. No. 1045**

The purpose of this bill is to apply consistent regulatory treatment to health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and similar risk-bearing entities by adopting the National Association of Insurance Commissioners Risk-Based Capital for Health Organizations Model Act. Among other things, this measure:

- (1) Adds the definitions of "benefit society", "health maintenance organization", and "domestic insurer" to the Hawaii Insurance Code;
- (2) Codifies parameters by which a benefit society or health maintenance organization's risk-based capital shall be determined;
- (3) Establishes under what circumstances a property and casualty insurer, a benefit society, or health maintenance organization is required to file a risk-based capital report;

- (4) With respect to a benefit society or health maintenance organization in the event of a mandatory control level event, provides the Insurance Commissioner with the power to take any actions necessary to cause an insurer to be placed under regulatory control with respect to a benefit society or health maintenance organization;
- (5) Establishes various confidentiality and disclosure requirements for the Insurance Commissioner for certain risk-based capital reports and risk-based capital plans; and
- (6) Allows the Insurance Commissioner to provide various exemptions from risk-based capital requirements to domestic benefit societies or health maintenance organizations that meet certain criteria.

The State Insurance Commissioner and Hawaii Medical Service Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 123            Health on H.B. No. 1384**

The purpose of this bill is to improve the delivery of healthcare and assist patients in receiving their medications in a timely manner by requiring the Insurance Commissioner to:

- (1) Develop a standardized prior authorization request form and process for prescription medications that can be used between healthcare providers and insurance carriers that shall be accessible and available for submission electronically through secure electronic transmissions;
- (2) Convene a working group to assist in the development of a standardized prior authorization form and process; and
- (3) Submit a report to the Legislature of the proceedings, recommendations, and results on implementing this measure.

The Hawaii Medical Association, American Cancer Society, Neuropathy Action Foundation, The Alliance for Plasma Therapies, Ohana Health Plan, Faith Action for Community Equity, and several concerned individuals testified in support of this bill. The State Insurance Commissioner opposed this measure. Kaiser Permanente Hawaii, AlohaCare, and the Hawaii Medical Service Association provided comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1384, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 124            Human Services on H.B. No. 944**

The purpose of this bill is to:

- (1) Allow an alleged victim of domestic abuse who has already received an order of protection, temporary restraining order, or protective order against the accused party to file "Jane Doe"/"John Doe" petitions and other papers, if the filing is reasonably necessary to protect the privacy of the alleged victim and will not unduly prejudice the prosecution or defense; and
- (2) Require courts to seal certain court records associated with "Jane Doe"/"John Doe" cases under specified significant and compelling circumstances.

The Judiciary and a concerned individual provided comments on this bill.

Your Committee has amended this bill by:

- (1) Prior to allowing the filing of "Jane Doe"/"John Doe" petitions and other papers by alleged victims of domestic abuse, requiring the court to find significant and compelling circumstances that would make public inspection inconsistent with the purpose of concealing the alleged victim's identity;
- (2) Clarifying that the court shall "make confidential" rather than "seal" "Jane Doe"/"John Doe" court records from the public that would identify the alleged victim; and
- (3) Changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 944, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 125 Human Services on H.B. No. 769**

The purpose of this bill is to effectuate its title.

H.B. No. 769 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the action to report out H.B. No. 769, 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. 769, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Hanohano and Wooley.

**SCRep. 126 Health on H.B. No. 608**

The purpose of this bill is to effectuate its title.

H.B. No. 608 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 608, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 608, H.D. 1.

Signed by all members of the Committee.

**SCRep. 127 Consumer Protection & Commerce/Judiciary on H.B. No. 894**

The purpose of this bill is to place a moratorium on foreclosures pending the release of a final report on any federal investigation on the securitization of mortgages.

The ILWU Local 142 and many concerned individuals testified in support of this bill. An individual supported this measure with amendments. The Office of Consumer Protection, Hawaii Bankers Association, Mortgage Bankers Association of Hawaii, Hawaii Credit Union League, Hawaii Financial Services Association, Hawaii Association of REALTORS, and a concerned individual opposed this bill.

Your Committees have amended this bill by:

- (1) Restricting the moratorium's application to non-judicial foreclosures; and
- (2) Changing the end of the moratorium to five months subsequent to the effective date of this Act.

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. 894, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 894, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 128 Transportation on H.B. No. 1093**

The purpose of this bill is to increase highway safety and provide consistency in enforcement and prosecution of commercial motor vehicle operators who drive while under the influence of an intoxicant by making the statutory language concerning blood and breathe alcohol concentration levels for commercial motor vehicle operators consistent with other statutory language concerning this issue.

The Department of Transportation, Honolulu Police Department, and Hawaii Transportation Association testified in support of this bill.

Under current laws, the alcohol concentration for commercial motor vehicle operator's suspected of operating their vehicles under the influence of an intoxicant is measured in percent by weight. A more accurate measurement of an individual's alcohol concentration, which is currently applied to drivers of other motor vehicles, is to determine the concentration of alcohol per liters of breath or per 100 milliliters or cubic centimeters of blood. Establishing the same criteria for commercial motor vehicle operators as those used for operators of regular motor vehicles will make enforcement and prosecution of driving under the influence laws more consistent and provide safer roads for Hawaii's residents and visitors.

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. 1093 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.



Signed by all members of the Committee except Representative Luke.

**SCRep. 129            Transportation on H.B. No. 1096**

The purpose of this bill is to increase highway safety and conform current statutory language regarding mopeds by:

- (1) Clarifying that permit holders may operate a moped without being accompanied by a person 21 years of age or older who is licensed to operate a moped; and
- (2) Restricting the operation of mopeds by temporary instruction permit holders during hours of darkness and prohibiting them from carrying passengers.

The Department of Transportation and Honolulu Police Department testified in support of this bill.

Currently, instruction permit holders operating motor scooters and motorcycles are exempt from the requirement of being accompanied by an individual who is 21 years of age or older and holds a license to operate a motor scooter or motorcycle. This exemption is mainly for safety reasons as riding on a two-wheeled vehicle with a passenger is more challenging and inherently more dangerous than riding alone. However, this exemption does not exist for permit holders operating mopeds. Given the safety concerns and the fact that current law prohibits operators of two-wheeled mopeds from carrying passengers, your Committee finds this exemption logical and practical.

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. 1096 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Luke.

**SCRep. 130            Transportation on H.B. No. 1098**

The purpose of this bill is to promote highway safety by clearly defining the type of after-market motorcycle frames that may be registered for, and used on, Hawaii's roads. Specifically, this measure:

- (1) Requires after-market motorcycle frames to be:
  - (A) Manufactured to replace the frame of a motorcycle and is certified by the manufacturer as being compliant with all applicable Federal Motor Vehicle Safety Standards (FMVSS); or
  - (B) The frame of a homemade motorcycle that was manufactured not-for-profit by a person who built the motorcycle as a hobby;
- (2) Allows the County Director of Finance to register a motorcycle with an after market frame by using the vehicle identification number that is on the certification label or assigned by the county Director of Finance; and
- (3) Does not allow for the registration of motor vehicles and other devices which are not compliant with FMVSS, with various exceptions, including after-market motorcycle frames.

The Department of Transportation and City and County of Honolulu testified in support of this bill.

Under existing law, motorcycles with after market frames are among the only vehicles that may be registered even though they are not certified by their manufacturers to be in compliance with all applicable FMVSS as of the date of manufacture. This exception for motorcycles was intended to accommodate hobbyists who modify or build their own motorcycles. However, an unintended consequence of this exception has been that it has allowed motorcycle manufacturers to circumvent the FMVSS and sell uncertified motorcycles for use on public roads. It has also allowed motorcyclists to register and use off-road-only motorcycles on the public roads. While preserving the exception for hobbyists, this measure prohibits the registration of a motorcycle that is not certified by the manufacturer to be in compliance with the FMVSS.

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. 1098 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Luke.

**SCRep. 131            Transportation on H.B. No. 1101**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State motor vehicle registration fee from \$25 to \$45.

DOT and the Department of Customer Services of the City and County of Honolulu (DCS) testified in support of this bill. The Hawaii Transportation Association and a concerned individual testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

Currently, DOT estimates the costs of the routine operation and maintenance of Hawaii's Highway System, which consists of over 2,400 lane miles of roadway, to be \$115,000,000 annually. The dramatic downturn in both the national and state economies over the last several years has continued to have a negative impact on State Highway Fund monies with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. The shortfall is due in part to rising fuel costs and decreasing fuel consumption that has resulted in decreased fuel tax revenues. As a

result, our land transportation system has failed to address increased transportation demands with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for even routine maintenance and operation of our roadways, let alone the construction of new and necessary roadways and appurtenances.

Your Committee finds that the increase in motor vehicle registration fees proposed in this measure is projected to generate an additional \$22.9 million in revenues for the State Highway Fund. This will continue to allow DOT to provide a safe, efficient, and effective land transportation system for the movement of people and goods serving a benefit to both residents and visitors alike.

However, concerns were raised by DCS that additional time will be needed to upgrade computer programs used for the registration of motor vehicles to address this rate increase. Accordingly, your Committee has amended this bill by changing the effective date to December 1, 2011, to provide DCS with additional time.

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. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives M. Lee and Luke.  
(Representative Fontaine voted no.)

### **SCRep. 132            Transportation on H.B. No. 1102**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State vehicle weight tax.

DOT, the Department of Taxation, and the City and County of Honolulu testified in support of this bill. The Hawaii Transportation Association and a concerned individual testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

Currently, DOT estimates the costs of the routine operation and maintenance of Hawaii's highway system, which consists of over 2,400 lane miles of roadway, to be \$115,000,000 annually. With the downturn in both the national and State economies over the last several years, State Highway Fund monies have continued to be negatively impacted, with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. As a result, our land transportation system has failed to address increased transportation demands with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for even routine maintenance and operation of our roadways, let alone the construction of new and necessary roadways and appurtenances.

Your Committee finds that the increase in the vehicle weight tax proposed in this measure will generate an additional \$32.9 million in revenues for the State Highway Fund and will continue to allow DOT to provide a safe, efficient, and effective land transportation system for the movement of people and goods serving a benefit to both residents and visitors alike.

However, concerns were raised by the City and County of Honolulu that additional time will be needed to upgrade computer programs used for the registration of motor vehicles to address this rate increase. Accordingly, your Committee has amended this bill by changing the effective date to December 1, 2011, to provide the City and County of Honolulu with additional time.

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. 1102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1102, H.D. 1, and be referred to the Committee on Finance.

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

### **SCRep. 133            Housing on H.B. No. 231**

The purpose of this bill is to:

- (1) Require all visitors to public housing projects to receive a visitor pass from authorities of public housing projects; and
- (2) Establish the non-possession of a visitor pass as prima facie evidence of criminal trespass in the first degree.

A concerned individual testified in support of this bill. The Hawaii Public Housing Authority opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying that visitors who "consistently and predominantly trespass" on public housing projects shall acquire a visitor pass upon entering the premises of a public housing project;
- (2) Establishing a two-year pilot project for Mayor Wright Homes to provide its residents with increased safety and security from trespassers; 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. 231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 231, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 134 Agriculture/Higher Education on H.B. No. 1273**

The purpose of this bill is to appropriate \$500,000 for fiscal year 2011-2012 and fiscal year 2012-2013 for the University of Hawaii (UH) College of Tropical Agriculture and Human Resources (UHCTAHR) Cooperative Extension Service.

UHCTAHR and the Hawaii Crop Improvement Association supported this bill. The Department of Agriculture supported the intent of this measure.

Your Committees note that UHCTAHR supported this appropriation as long it does not adversely impact the budgetary priorities of UH. In addition, UHCTAHR was requested to provide your Committees with more specific information on how it is funded, including details such as the budgetary program ID under which it falls.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount to an unspecified amount; and
- (2) Changing its effective date to July 1, 2009, to encourage further discussion.

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

As affirmed by the records of votes of the members of your Committees on Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1273, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Saiki, Tokioka and Marumoto.

**SCRep. 135 Agriculture on H.B. No. 1380**

The purpose of this bill is to encourage the use of local produce in Hawaii schools by:

- (1) Establishing a farm-to-school program in the Department of Education (DOE) to increase procurement of locally-grown fruits and vegetables;
- (2) Establishing the Hawaii-grown fresh fruit and vegetable program in DOE to facilitate consumption of locally-produced nutritious snacks to improve student health and expand the market for locally-grown produce; and
- (3) Authorizing schools to grow food in school gardens for consumption in schools.

This bill also requires the Department of Human Services to establish a pilot program to contract with local farmers to provide Hawaii-grown produce to low-income individuals through designated food banks.

The Hawaii Farm Bureau Federation (HFBF), Kokua Hawaii Foundation's 'AINA In Schools Program, Hawaii Diabetic Association, Papa Ola Lokahi, and several concerned individuals supported this bill. The Department of Agriculture (DOA), Hawaii Association of Independent Schools, and Hawaii Island School Garden Network supported the intent of this bill. DOE submitted comments.

Your Committee recognizes that during the public hearing on this measure, the idea of a working group was raised to provide improved planning and better implementation of the programs established in this measure. A resolution establishing a working group may serve as an alternative vehicle in fulfilling the objectives of this bill and other bills currently being considered by the Legislature that address the issue of increasing procurement of local agricultural products by public schools.

Your Committee is cognizant of the testimony provided by DOA and HFBF regarding concerns with previous legislation, such as section 3 of Act 175, Session Laws of Hawaii 2009, which removed the exemption for fresh meats and produce from the Hawaii Public Procurement Code. Your Committee also notes that HFBF has submitted a suggested amendment to specifically include DOE's Food Service Department within the farm-to-school program.

Your Committee intends to continue discussions on these issues as this measure moves forward in the legislative process.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1380, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Tokioka and Marumoto.

**SCRep. 136 Energy & Environmental Protection on H.B. No. 927**

The purpose of this bill is to improve Hawaii's roads, enable more cost-effective recycling of asphalt pavements, and protect Hawaii's environment by allowing, rather than requiring:

- (1) State agencies to purchase roadway materials with a minimum recycled glass content; and
- (2) All highway and road construction projects funded by the State or a county or roadways accepted as public roads to use a minimum of ten percent crushed glass aggregate for all basecourse and subbase applications.

Alakona Corp Asphalt Pavement Specialists, Grace Pacific Corporation, and a concerned individual testified in support of this bill.

Current law requires State highway officials to purchase roadway materials with minimum recycled glass content for basecourse, subbase, and nonstructural capital improvement applications. Commonly known as the "glassphalt mandate," this action was an attempt to make better use of recycled glass and to be more environmentally friendly. However, the use of "glassphalt" has had negative impacts including reducing the quality of roadways because asphalt does not stick to glass. Furthermore, because glassphalt cannot be used as a surface paving material since it can reduce the skid resistance of a road and make driving hazardous, asphalt recycling efforts have been impacted. This is due to the fact that the process of resurfacing and rebuilding roads results in the comingling of asphalt and glassphalt materials, which are often difficult, if not impossible, to separate. This impairs the paving industry's ability to recycle asphalt pavement, which is one of the most recycled materials in Hawaii. By allowing, rather than requiring, the use of recycled glass in roadway materials, Hawaii's roadways can be improved while still protecting the environment.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 927 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, Herkes and Ito.

**SCRep. 137 Energy & Environmental Protection on H.B. No. 874**

The purpose of this bill is to protect Hawaii's environment and address the issue of illegal dumping by establishing a minimum fine of not less than:

- (1) \$2000 for felony disposal of solid waste; and
- (2) \$500 for petty misdemeanor disposal of solid waste.

The Department of Health (DOH) and a concerned individual testified in support of this bill.

Hawaii is an island state dependent on its natural beauty as a driving force for its most important industry, tourism. However, its fragile environment is oftentimes severely impacted by illegal solid waste disposal. Establishing minimum fines for illegal disposal of solid waste will provide a stronger means for deterring this illegal conduct and addressing violations.

Still, more can be done. According to DOH, prior to 2005, criminal penalties also existed for the unauthorized operation of solid management waste systems. Unfortunately, it is believed that these provisions were inadvertently omitted when the criminal and civil penalties for illegal dumping were reorganized. Reinstating these criminal provisions would provide DOH with greater strength to enforce regulatory provisions regarding the operation of solid management waste systems.

Accordingly, your Committee has amended this bill by inserting language reinstating the petty misdemeanor offense of unauthorized operation of a solid waste management system and establishing penalties therefor.

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 H.B. No. 874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 874, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes and Ito.

**SCRep. 138 Economic Revitalization & Business on H.B. No. 383**

The purpose of this bill is to extend the sunset date of the Legislative Federal Economic Stimulus Program Oversight Commission (Oversight Commission) from June 30, 2011, to December 31, 2011.

The Oversight Commission testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 383 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Evans and Hashem.

**SCRep. 139 Water, Land, & Ocean Resources/Agriculture on H.B. No. 568**

The purpose of this bill is to encourage aquacultural production in Hawaii by providing for more favorable terms for the lease of public lands.

The Department of Agriculture, Hawaii Aquaculture & Aquaponics Association, Hawaii Farm Bureau Federation, High Health Aquaculture, East Oahu County Farm Bureau, Shrimp Improvement Systems Hawaii LLC, Cates International, Inc., Hawaii Oceanic Technology, Inc., and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and KAHEA: The Hawaiian-Environmental Alliance opposed this measure.

Your Committees have amended this measure by:

- (1) Clarifying the purpose section of the bill;
- (2) Clarifying that aquaculture operations in good standing may, rather than must, have the right of first refusal to renew a lease;
- (3) Modifying the definition of "aquaculture" to include any growing of plants or animals with aquaculture effluents; 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 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. 568, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 568, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 140 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1243**

The purpose of this bill is to help mitigate unreasonable increases in the cost of prescription drugs, including repackaged prescription drugs and compound medications in Hawaii's workers' compensation insurance system by providing reasonable restrictions on markups.

The Property Casualty Insurers Association of America; Hawaii Employers' Mutual Insurance Company, Inc.; Hawaii Insurers Council; GEICO; and Marriott International, Inc. supported this bill. The Department of Labor and Industrial Relations supported the intent of this measure. The Hawaii Injured Worker's Alliance and Aloha Pain Clinic opposed this bill.

The repackaging of drugs is the practice of breaking a large bottle of drugs down into several bottles of smaller quantities, while compound drugs are created by combining two or more "raw" ingredients into a unique product to provide therapeutic relief of an injury or illness.

Recent workers' compensation cost data has shown an increase in costs. Pharmacy costs, in particular the additional use of repackaged and compound drugs, appear to be the primary driver behind such an increase.

Your Committees note, however, the concerns of some of the stakeholders and therefore respectfully request the Committee on Health, should it choose to hear this measure, to examine how the regulations proposed in this bill may affect both physicians' ability to dispense medications to patients and access to medications in rural areas and on the neighbor islands.

Your Committees have amended this bill by:

- (1) Specifying that the cap on the payment for prescription drugs cannot exceed 140 percent of the average wholesale price as listed in the American Druggist Red Book;
- (2) Removing an insurer, self-insured, or captive insurer's pharmacy benefit network price as a factor in determining the maximum payment for prescription drugs;
- (2) Providing that the unit price of repackaged or relabeled drugs cannot exceed the original manufacturers' average wholesale price plus 40 percent; 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 Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1243, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1243, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee.

**SCRep. 141 Hawaiian Affairs on H.B. No. 225**

The purpose of this bill is to support historic preservation in Hawaii by providing, among other things, that:

- (1) Prior to the sale or lease for a term in excess of ten years of undeveloped property, an archaeological inventory survey (AIS) of the undeveloped property be performed;
- (2) The AIS be submitted to the state historic preservation officer; and
- (3) The AIS may include recommendations by the state historic preservation officer that portions of the undeveloped property may be unsuitable for future development and should be reclassified as conservation land or zoned by a county for preservation zoning.

Papa Ola Lokahi and a concerned individual testified in support of this bill. The Office of Hawaiian Affairs and the Society for Hawaiian Archaeology supported the intent of this measure. The Department of Land and Natural Resources and the Hawaii Association of REALTORS opposed this bill. The Historic Hawaii Foundation submitted comments.

After careful consideration, your Committee has amended this bill by:

- (1) Mandating that an AIS of undeveloped property be performed prior to the sale or lease of any length of term of the property;
- (2) Requiring that the AIS be submitted to the State Historic Preservation Division (SHPD) for review and approval;
- (3) Providing that following SHPD's approval of the AIS, appropriate mitigation plans for preservation and data recovery must also be submitted to SHPD for review and approval;
- (4) Providing that if burials are identified during the AIS, relevant statutes and administrative rules regarding burials will apply to determine appropriate treatment and mitigation measures; 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 225, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 142 Hawaiian Affairs on H.B. No. 921**

The purpose of this bill is to cultivate traditional Hawaiian culture as well as assist the agricultural industry by:

- (1) Requiring counties to allow the construction of traditional Hawaiian hale, greenhouses, and sheds on land that is used for a farming operation without a building permit; and
- (2) Establishes parameters for what constitutes a "traditional Hawaiian hale."

Several concerned individuals 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 H.B. No. 921 and recommends that it pass Second Reading and be referred to the Committees on Agriculture and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 143 Hawaiian Affairs on H.B. No. 1154**

The purpose of this bill is to formally recognize the aha moku system by creating the Aha Kiole Commission in the Department of Land and Natural Resources. This Commission will empower native Hawaiians to participate in the management of Hawaii's natural, cultural, and historical resources. Specifically, the new Commission would advise the Governor on issues related to land and natural resource management through the aha moku system, a system of best practices, based on indigenous resource management practices of moku boundaries, which acknowledge the natural contours of land, the specific resources located within those areas, and the methodology necessary to sustain resources and the community.

Members of the Aha Kiole Advisory Committee and members of the 43 moku from each island, the Association of Hawaiian Civic Clubs, the Maunaloa Hawaiian Civic Club, the Save Honolulu Coalition, the Maui Cooperative Fishing Association, the Princess Kaiulani Hawaiian Civic Club, the Koolaupoko Hawaiian Civic Club, and numerous individuals supported this bill. The Department of Hawaiian Home Lands and the Office of Hawaiian Affairs supported the intent of the bill. The Department of Land and Natural Resources opposed the measure. An individual 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 is in accord with the intent and purpose of H.B. No. 1154 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 144 Hawaiian Affairs on H.B. No. 1223**

The purpose of this bill is to strengthen the protections for the natural resources of the Kaho‘olawe Island Reserve by authorizing the imposition of seizure and forfeiture penalty provisions for a variety of items and equipment, including vehicles, vessels, and aircraft, used or taken in violation of the laws or rules applicable to the Kaho‘olawe Island Reserve.

The Department of Land and Natural Resources, Kaho‘olawe Island Reserve Commission, Office of Hawaiian Affairs, Aha Kiole Advisory Committee, and Ai Pohaku 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 H.B. No. 1223 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. 145 Consumer Protection & Commerce on H.B. No. 1271**

The purpose of this bill is to assist the State in addressing its budget shortfall by requiring that 50 percent of the county share of revenues generated by the public service company tax be deposited into the State General Fund for a period of five years.

Specifically, Act 64, Session Laws of Hawaii 2001, allocated to the counties collections from the public service company tax that were in excess of a rate of four percent. This measure temporarily diverts 50 percent of that amount to the State General Fund.

Hawaiian Telecom testified in support of this bill with amendments. The Department of Budget and Fiscal Services of the City and County of Honolulu testified in opposition to this measure. The Tax Foundation of Hawaii 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 H.B. No. 1271 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, Morita and Ching.  
(Representative Thielen voted no.)

**SCRep. 146 Judiciary on H.B. No. 545**

The purpose of this bill is to work to improve voter participation in the democratic process by:

- (1) Requiring the Chief Election Officer to create, implement, and maintain a publicly available electronic voter registration system by January 1, 2012; and
- (2) Establishing requirements for electronic voter registration, including identification requirements.

Americans for Democratic Action/Hawaii and Common Cause Hawaii testified in support of this bill. The Office of Elections and Office of the City Clerk provided comments.

Your Committee has amended this bill by:

- (1) Changing the date by which the electronic voter registration system shall be implemented from January 1, 2012, to January 1, 2014;
- (2) Changing the effective date to January 7, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 545, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 147 Education on H.B. No. 952**

The purpose of this bill is to provide additional flexibility and the potential for additional revenue with respect to public school land by establishing a Public School Lands Trust into which all lands under the management of the Department of Education (DOE) shall be placed. This bill also establishes a Public School Lands Trust Commission to manage, administer, and exercise control over the Public School Lands Trust.

The Board of Directors of the League of Women Voters of Hawaii and a concerned individual supported this bill. The Mayor of the City and County of Honolulu opposed this measure. The Department of Land and Natural Resources, DOE, and Office of Hawaiian Affairs 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 H.B. No. 952 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 Awana and Chang.

**SCRep. 148 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 465**

The purpose of this bill is to provide some help to dislocated workers by including businesses that employ any number of persons in the provisions requiring notification about a business's upcoming closure and the provision of a dislocated worker allowance to help workers to recover from the loss. This bill also mandates the Department of Labor and Industrial Relations (DLIR) to enforce the notification requirements.

The ILWU Local 142 supported this bill. DLIR and the Retail Merchants of Hawaii opposed the measure.

Your Committees have amended this bill by:

- (1) Restoring the original definition of "covered establishment", thus retaining the applicability of notification of closure and dislocated worker allowance requirements to businesses employing 50 persons or more; and
- (2) Making a technical, nonsubstantive amendment for consistency.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 465, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 465, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 149 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1077**

The purpose of this bill is to authorize the payment of interest for advances made under Title XII, Section 1202(b) of the Social Security Act, as amended, from the Employment and Training Fund. In addition, the measure authorizes the Director of Labor and Industrial Relations to raise funds for such payments by increasing the Employment and Training Fund assessment in increments of .01 percent retroactive to January 1, 2011.

Department of Labor and Industrial Relations testified in support of the bill. The Chamber of Commerce of Hawaii commented on the measure.

Your Committees note that the insolvency of the Unemployment Trust Fund in December 2010, required the State to borrow money from the federal government under Title XII, Section 1202(b) of the Social Security Act, as amended.

Under Act 2, Session Laws of Hawaii 2010, the Director of Labor and Industrial Relations is authorized to assess employers in amounts sufficient to pay the principal and interest of the loan. However, your Committees also find the assessment was required to be distributed in a fair and equitable manner.

This bill establishes an appropriate mechanism to collect the authorized assessments in a fair and equitable manner and its passage is necessary to repay the interest due on the federal funds on September 30, 2011.

Your Committees have amended this bill to allow the employers subject to the Employment and Training Fund assessment to be refunded the increased rate amount paid if payment of the interest on Title XII advances is waived by federal law.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1077, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1077, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 150 Water, Land, & Ocean Resources on H.B. No. 505**

The purpose of this bill is to assist the residents of the Leeward Coast of Oahu by appropriating an unspecified amount of funds for flood mitigation on Farrington Highway between Maili and Nanakuli.

The Department of Transportation and several concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Appropriating an unspecified amount of additional funds for flood mitigation in the area of Lualualei Valley; and
- (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. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 151 Water, Land, & Ocean Resources on H.B. No. 1312**

The purpose of this bill is to maximize the revenue potential of the Ala Wai Boat Harbor and assist the Department of Land and Natural Resources (DLNR) in addressing its fiscal needs by authorizing DLNR to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai boat harbor facilities that are presently underused.

DLNR and several concerned individuals testified in support of this bill. Several concerned individuals testified in opposition to this measure. The Ocean Tourism Coalition 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1312, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 152 Water, Land, & Ocean Resources on H.B. No. 1566**

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in addressing needed repair and maintenance at ocean recreation facilities under their jurisdiction through innovative means, given the current economic conditions facing the State. Specifically, this measure:

- (1) Exempts the Ala Wai Boat Harbor from assessment and special improvement district requirements regarding redevelopment;
- (2) Clarifies the permissible uses of leased state boating facility properties to include ocean recreation activities;
- (3) Extends the maximum term for the disposition of public lands of state boating facilities to 65 years;
- (4) Requires any fees collected within small boat harbors to be expended only for costs relating to the operation, upkeep, maintenance, and improvement of small boat harbors;
- (5) Allows the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi boat harbors;
- (6) Provides for future mooring fees to be established by appraisal by a state-licensed appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class that shall equal schedule B rates for a five-year period;
- (7) Authorizes DLNR to assess and collect utility fees, including electrical and water charges, and common area maintenance fees, in small boat harbors; and
- (8) Directs DLNR to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai boat harbor facilities that are presently underused to maximize the revenue potential from its facilities.

The Waikiki Improvement Association testified in support of the intent of this bill. Several concerned individuals testified in opposition to this measure. DLNR and the Ocean Tourism Coalition 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. 1566 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, Chong and Thielen.

**SCRep. 153 Water, Land, & Ocean Resources on H.B. No. 1605**

The purpose of this bill is to assist property owners by requiring flood insurers to provide flood insurance coverage under the same terms, conditions, and premium for properties located outside of designated flood zones that have experienced at least one documented flood causing a certain level of damages.

The State Insurance Commissioner and a concerned individual commented on 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. 1605 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 154          Judiciary on H.B. No. 838**

The purpose of this bill is to appropriate an unspecified amount of funds for the operation of the Reapportionment Commission.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 103 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

The Office of Elections testified in support of this bill but requested several amendments.

During the public hearing, the Office of Elections responded to questions about its suggested amendments, including the decrease from five temporary full-time positions to four. While the Office of Elections does not believe it will utilize five positions, your Committee decided to authorize the creation of five positions as may be necessary. The additional amendments proposed by the Office of Elections were also given serious consideration.

Accordingly, your Committee has amended this bill by:

- (1) Inserting language clearly citing the relevant provisions of the State Constitution, Section 9, Article VII, that authorizes the request for immediate passage of this emergency appropriation measure;
- (2) Amending the purpose section of the measure to further explain the purpose and intent of this bill, specifically, noting the emergency appropriation and authorization of full-time temporary positions to support the Reapportionment Commission;
- (3) Authorizing five full-time temporary positions in the Office of Elections to provide support to the Reapportionment Commission;
- (4) Inserting an appropriation of \$732,430 for fiscal year 2011, to support the functions of the Office of Elections, the Elections Commission, and the Reapportionment Commission in regards to reapportionment;
- (5) Changing the expending agency from the Reapportionment Commission to the Department of Accounting and General Services;
- (6) Changing the effective date from July 1, 2011, to upon its approval; 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. 838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 838, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 155          Judiciary on H.B. No. 862**

The purpose of this bill is to improve and update Hawaii's ethics laws by requiring the Hawaii State Ethics Commission to:

- (1) Retain financial and gift disclosure statements in electronic form for an additional ten-year period past the initial six-year retention period currently required;
- (2) Preserve lobbying reports in electronic form for an additional ten-year period past the initial four-year retention period currently required; and
- (3) Develop rules regarding records retention and archiving procedures for the disclosure statements and lobbying reports.

The Honolulu Police Department, Americans for Democratic Action, and Common Cause Hawaii testified in support of this bill. The Hawaii State Ethics Commission testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 862 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, Luke, McKelvey, Morita and Souki.

**SCRep. 156          Judiciary on S.B. No. 232**

The purpose of this bill is to statutorily establish civil unions in Hawaii, and in so doing provide partners to a civil union the same rights, benefits, and responsibilities granted under chapter 572, Hawaii Revised Statutes (HRS). By establishing civil unions, it is not your Committee's intent to revise the definition or eligibility requirements of marriage under chapter 572, HRS.

The Governor, Office of the Lieutenant Governor, Hawaii Civil Rights Commission, Progressive Democrats of Hawaii, University of Hawaii Professional Assembly, American Civil Liberties Union of Hawaii, GLBT Caucus, Japanese Americans Citizens League, Private Work Hawaii, Parents Families and Friends of Lesbians and Gays Oahu, Honolulu Pride, Planned Parenthood Hawaii, Americans for Democratic Action, Hawaii Alliance for Retired Americans, Lambda Legal, Equality Hawaii, Integrity Hawaii, Hawaii State AFL-CIO, Unite Here Local 5, ILWU Local 142, Da Moms, American Friends Service Committee, Mestizo Association, Holy Innocents Episcopal Church, Lambda Law Student Association, Hawaii State Democratic Women's Caucus, Lambda Legal Defense and Education Fund, Both Sides Now, Citizens for Equal Rights, XYZ Gay-Straight Alliance of the University of Hawaii at

Manoa, Le Jardin Gay-Straight Alliance, a member of the Board of Education, and copious numbers of concerned individuals testified in support of this bill. Hawaii Citizens for the Separation of Church and State, Hawaii Family Forum, Hawaii Catholic Conference, Pro-Family Hawaii, and a large multitude of concerned individuals opposed this measure. The Department of the Attorney General, the Democratic Party of Hawaii, the Employees' Retirement System, The Williams Institute, and several individuals offered comments.

Your Committee finds that this measure will provide fairness and equality to all committed couples under state law and that the promotion of stable, committed relationships in which private citizens are legally obligated to look after the well-being of one another serves an important public policy interest. By increasing the number of legally recognized couples, state government may more efficiently direct its efforts in such areas as health and human services.

It is the intention of your Committee that this measure be liberally construed to provide equality of rights, benefits, protections, and responsibilities to the partners of a civil union. It is not the intention of your Committee to omit any substantive rights, benefits, protections, or responsibilities with respect to the application of this new chapter to any current law, including any law relating to parent-child relationships.

Your Committee has amended this measure by:

- (1) Adding three new sections to specifically include civil unions and the partners to a civil union in the application of chapters 231 (administration of taxes), 235 (income taxes), and 236D (estate and transfer tax), HRS;
- (2) Specifically granting jurisdiction over all proceedings relating to the annulment, divorce, and separation of civil unions to the family court of each circuit;
- (3) Clarifying that for a civil union entered into in a jurisdiction other than Hawaii to be recognized, it must have been performed in accordance with the laws of the other jurisdiction and can be documented;
- (4) Codifying the references and inclusions provision for the terms denoting family and spousal relationships in the new chapter establishing civil unions; and
- (5) Making technical, nonsubstantive revisions for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 232, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 232, 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 McKelvey.  
(Representatives Souki and Fontaine voted no.)

**SCRep. 157      Housing on H.B. No. 308**

The purpose of this bill is to effectuate its title.

H.B. No. 308 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. 308, 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. 308, H.D. 1.

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

**SCRep. 158      Housing on H.B. No. 309**

The purpose of this bill is to effectuate its title.

H.B. No. 309 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. 309, 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. 309, H.D. 1.

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

**SCRep. 159 Water, Land, & Ocean Resources on H.B. No. 389**

The purpose of this bill is to effectuate its title.

H.B. No. 389 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the action to report out H.B. No. 389, as amended herein, and recommends that it be recommitted to the Committee on Water, Land, & Ocean Resources, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 389, H.D. 1.

Signed by all members of the Committee.

**SCRep. 160 Education on H.B. No. 344**

The purpose of this bill is to effectuate its title.

H.B. No. 344 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 344, as amended herein, and recommends that it be recommitted to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 344, H.D. 1.

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

**SCRep. 161 Economic Revitalization & Business on H.B. No. 1099**

The purpose of this bill is to allow the state or county to certify that there are sufficient funds for the utility's portion of the contract price in any state or county utility project including relocation, undergrounding, or installation of new utility facilities.

The Department of Transportation, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1099, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 162 Economic Revitalization & Business on H.B. No. 1179**

The purpose of this bill is to improve the management of state funds by:

- (1) Establishing an advisory committee on short-term investments (Advisory Committee);
- (2) Requiring the Commissioner of Financial Institutions (Commissioner) to establish and operate, with the assistance of the Advisory Committee, a short-term investment pool of excess state funds; and
- (3) Repealing existing provisions authorizing the Director of Finance to make short-term investments of excess state funds.

The Department of Budget and Finance (B&F) and the Division of Financial Institutions of the Department of Commerce and Consumer Affairs opposed this bill.

In light of concerns raised in testimony, your Committee has amended this measure by:

- (1) Deleting references to the Commissioner and making the Director of Finance the entity responsible for operating, with the assistance of the Advisory Committee, the short-term investment pool;
- (2) Specifying that the Advisory Committee be administratively attached to B&F; and
- (3) Changing its effective date to July 1, 2112, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 163 Economic Revitalization & Business on H.B. No. 885**

The purpose of this bill is to require the Contractors License Board (Board) to conduct a public hearing prior to making any determination on:

- (1) Contractor's license applications, if the Board has received timely opposition to the applicant pursuant to Board rule;
- (2) Disciplinary actions; or
- (3) Settlement agreements subject to Board approval and entered into between the Regulated Industries Complaints Office and a licensee who is subject to disciplinary action.

The Pacific Resource Partnership and the International Union of Painters and Allied Trades, District Council 50, supported this bill. The Board opposed this measure. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs (DCCA) submitted comments.

Your Committee notes that concerns were raised during the public hearing on this measure regarding the justification for imposing specific requirements for the Board that are not imposed on the other licensing boards and programs under the DCCA's purview. Your Committee intends to continue working on this matter and also respectfully requests your Committee on Consumer Protection and Commerce to address this particular issue when this bill is referred to that committee.

In light of these concerns, your Committee has amended this measure by changing its effective date to July 1, 2112, to encourage further discussion. Technical, nonsubstantive amendments were also made for style, clarity, and consistency.

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

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 164 Economic Revitalization & Business on H.B. No. 367**

The purpose of this bill is to assist small businesses in accessing loan capital by appropriating funds for the Capital Loan Program (Program) for fiscal years 2011-2012 and 2012-2013.

The Department of Business, Economic Development and Tourism supported the intent of this bill.

Upon further consideration and in light of testimony provided during the public hearing, your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$100,000 for each fiscal year;
- (2) Establishing the Hawaii Capital Loan Revolving Fund to allow the Program to make loans and collect payments of interest and principal;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 367, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 165 Economic Revitalization & Business on H.B. No. 96**

The purpose of this bill is to prevent and deter underage drinking by:

- (1) Authorizing fines to be assessed against minors for violations relating to liquor;
- (2) Requiring that 50 percent of revenues from fines imposed be distributed to the counties for anti-underage drinking programs or underage drinking law enforcement programs; and
- (3) Prohibiting minors from using false identification to enter the premises of establishments with liquor licenses that exclude minors.

In addition, this bill allows a sentencing court to allow a minor whose driver's license, provisional license, or instruction permit has been temporarily suspended due to a liquor-related offense to drive when lack of alternative transportation presents an undue hardship.

The Distilled Spirits Council of the United States, Retail Merchants of Hawaii, and The Chamber of Commerce of Hawaii supported this bill. The Attorney General submitted comments.

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

- (1) Deleting the provision that would allow a minor whose driver's license, provisional license, or instruction permit has been suspended due to a liquor-related offense, to drive when lack of alternative transportation presents an undue hardship;
- (2) Requiring, rather than authorizing, the imposition of fines against minors for violations of liquor-related offenses;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee respectfully requests the Committee on Judiciary and the Attorney General to review the issue of whether the fines contained in this measure should be mandatory or left to the discretion of the courts.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 96, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 96, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans and Hashem.

**SCRep. 166 Economic Revitalization & Business on H.B. No. 374**

The purpose of this bill is to include the small purchase method of procurement within the scope of Hawaii Compliance Express.

The State Procurement Office, The Chamber of Commerce of Hawaii, and The Hawaii Business League supported this bill.

In light of concerns raised in testimony for this measure, your Committee has amended this measure by:

- (1) Deleting an inaccurate assertion in the purpose section;
- (2) Limiting the inclusion of the small purchase method of procurement within Hawaii Compliance Express to procurements of \$2,500 or more under section 103D-305, Hawaii Revised Statutes;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 374, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 167 Economic Revitalization & Business on H.B. No. 678**

The purpose of this bill is to assist individuals who may become victims of identity theft and other related crimes by requiring any business or government agency responsible for a security breach to pay the costs of providing each person whose personal information was disclosed with, at a minimum, a three-year subscription to a credit reporting agency's services.

Two concerned individuals supported this bill. The Hawaii Bankers Association, Hawaii Credit Union League, and American Council of Life Insurers opposed this measure. The Consumer Data Industry Association submitted comments.

Upon further consideration and based on concerns raised in the public testimony regarding this bill, your Committee has amended this measure by:

- (1) Deleting references to businesses and narrowing its scope to apply solely to government agencies;
- (2) Clarifying that the minimum three-year subscriptions are for a nationwide consumer reporting agency, as defined under the Fair Credit Reporting Act, to conform to federal law; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 678, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Evans and Hashem.

**SCRep. 168 Economic Revitalization & Business/Agriculture on H.B. No. 378**

The purpose of this bill is to revise the law requiring the incorporation of indigenous land plant species into the landscaping of facilities developed by the State with public funds by:

- (1) Repealing existing references to indigenous land plant species and replacing them with "native Hawaiian land plant species," and inserting a definition for this replacement term; and
- (2) Requiring, without regard to feasibility, all plans, designs, and specifications for new or renovated landscaping of any facility developed by the State with public funds to exclusively incorporate native Hawaiian land plant species.

Sierra Club–Hawaii Chapter and several concerned individuals supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Accounting and General Services (DAGS) opposed this bill.

Your Committees find that when considering the use of native Hawaiian land plant species in landscaping, consideration should be given to those species that are most appropriate for the specific landscaping project, including emphasis on species that require less water or maintenance.

In addition, your Committees note that concerns were raised regarding the amount of discretion that should be afforded to government agencies in complying with this bill's provisions. Testimony from DAGS indicated that the requirements in this bill are too restrictive, and would make procurement difficult and expensive.

Upon further consideration and in light of testimony received on this measure, your Committees have amended this measure by:

- (1) Deleting the definition of "native Hawaiian land plant species" and, instead, inserting a definition for "native Hawaiian land plant";
- (2) Revising the requirement to incorporate native Hawaiian land plants by specifying that wherever and whenever feasible, all plans, designs, and specifications for new or renovated landscaping of any facility developed by the State with public funds shall incorporate and give preference to native Hawaiian land plants;
- (3) Specifying that wherever and whenever possible, native Hawaiian land plants shall be used for landscaping on the island or islands or the geographical area on which the species originated;
- (4) Exempting the landscaping of sod or turf and historic properties from the law requiring the incorporation of native Hawaiian land plants into the landscaping of facilities developed by the State with public funds; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 378, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 378, H.D. 1, and be referred to the Committee on Hawaiian Affairs.

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

**SCRep. 169 Labor & Public Employment on H.B. No. 1512**

The purpose of this bill is to establish a permanent Weed and Seed Strategy Program in the Office of Community Services and to provide an appropriation to maintain the Weed and Seed strategy and expand it into other areas of the State.

The Office of Community Services in the Department of Labor and Industrial Relations, The Gentry Companies, the Director of Honolulu Weed and Seed, and numerous individuals supported this measure.

Your Committee finds that the Weed and Seed strategy program is a collaborative effort involving law enforcement, residents, nonprofit organizations, social service agencies, community groups and private businesses, and has substantially reduced drug-related crimes by "weeding out" large drug dealers and "seeding" programs to help families and youth with building the lifestyle they envision for their neighborhoods.

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. 1512 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. 170 Labor & Public Employment on H.B. No. 1513**

The purpose of this bill is to:

- (1) Establish a permanent Weed and Seed Program in the Department of Labor and Industrial Relations; and
- (2) Appropriate funding in the form of a grant to maintain the Weed and Seed Program in the Ala Moana, Chinatown, downtown Honolulu, Kalihi, Waipahu, and Ewa Beach communities on Oahu.

The Office of Community Services of the Department of Labor and Industrial Relations, Meadow Gold Dairies, The Gentry Companies, the Director of Honolulu Weed and Seed, and numerous individuals supported this measure.

Your Committee finds that collaborative efforts involving law enforcement, residents, non-profit organizations, community groups and private businesses have helped to reduce crime and improve the quality of life for the designated neighborhoods. The fundamental principles that underlie the Weed and Seed strategy are: collaboration, coordination, community participation and leveraging resources. Weed and Seed is an important organizational tool and community resource whose strategy needs to be continued.

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. 1513 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. 171 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 527**

The purpose of this bill is to disallow workers' compensation claims for existing work-related injuries exacerbated during recreational or social activity that takes place after work hours, where the employee disregarded restrictions placed on such activities by the employee's attending physician.

The Department of Labor and Industrial Relations and Retail Merchants of Hawaii testified in support of this bill. The City and County of Honolulu supported the intent of this measure. The Department of Human Resources Development and ILWU Local 142 opposed this bill.

Your Committees do not dispute that an injured worker should receive quality and appropriate medical care as directed by his or her physician for an injury arising out of and in the course of the worker's work-related duties. However, employee injuries that arise from a worker's voluntary participation in activities that do not constitute part of the employee's work-related duties and are engaged in primarily for social or recreational purposes, should be beyond the scope of the workers' compensation law.

Your Committees have amended this bill by:

- (1) Disallowing workers' compensation claims for any injury or illness resulting from voluntary participation in any activity, the major purpose of which is social or recreational, whether or not the employer pays some or all of the cost of the activity; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 527, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 527, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 172 Transportation/Economic Revitalization & Business on H.B. No. 123**

The purpose of this bill is to assist the airline industry by exempting from general excise and use taxes amounts received from the sale or use of aviation fuel admitted into a foreign-trade zone (FTZ) and purchased by a common carrier for consumption or use in air transportation between two points in the State.

Hawaiian Airlines testified in support of the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

The airline industry, particularly the interisland airline industry, has seen difficult economic times over the last several years. Only recently have some airlines begun to realize economic gains. One of the major cost drivers of the aviation industry is the volatility of the aviation fuel market, with high fuel costs continuing to take their toll on the industry.

Currently, aviation fuel sold from an FTZ for use by airlines traveling out of the State are exempt from general excise and use taxes as it is considered a product of interstate commerce. However, the same fuel sold from an FTZ, but used by interisland air carriers, is not exempt. This is due, in part, to difficulties and differences in interpretation of what constitutes "interstate air transportation" and whether interisland flights fall within the definition of this term.

Since a healthy interisland airline industry is vital to the State's economy and Hawaii's interisland airlines continue to face financial difficulties, it would appear to be in the State's best interest to reduce the financial burden on Hawaii's interisland air carriers. Providing assistance to this industry will have a profound economic impact on this vital service.

Your Committees have amended this bill by:

- (1) Removing the purpose section due to possible inaccuracies in language contained within that section; and



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

As affirmed by the records of votes of the members of your Committees on Transportation and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 123, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 173                    Transportation on H.B. No. 1094**

The purpose of this bill is to bring Hawaii's commercial driver's license (CDL) laws into compliance with federal regulations by conforming the CDL law with Federal Motor Carrier Safety Regulations, and in the process preserve Hawaii's ability to receive federal funds. Among other things, this measure:

- (1) Adds the definitions of "commercial driver's license downgrade" and "commercial driver's license information system driver record" to the CDL statute;
- (2) Requires the examiner of drivers to verify the certification of a self-certified driver, date-stamp any current medical examiner's certificate submitted by a driver, and post all required information on the CDL Information System;
- (3) Changing the "V" restriction designation on a CDL from indicating that the driver is restricted from operating in interstate commerce to indicating that information concerning a medical variance is on the CDL Information System driver record;
- (4) Recodifying the original "V" restriction that restricts a driver from operating in interstate commerce to a "W" code;
- (5) Requiring the examiner of drivers to mark the CDL Information System driver record as "not-certified" and initiate a CDL downgrade if a driver fails to produce certain documents to the examiner of drivers;
- (6) Providing parameters for updating information and notification requirements for certain items concerning medical certification and medical variances for CDL drivers; and
- (7) Requiring the examiner of drivers to record and maintain certain medical information regarding CDL drivers.

The Department of Transportation and Hawaii Transportation Association testified in support of this bill.

Individuals who possess CDLs are held to stricter medical and licensing standards than individuals who hold a standard license to operate a motor vehicle. This is due, in part, to the type of vehicles CDL drivers operate, which generally involves large trucking and transportation vehicles. Having additional, more stringent restrictions on these drivers promotes highway safety. While the examiner of drivers currently has the authority to withhold driving privileges from a CDL holder for committing a violation or posing an immediate threat to highway safety, non-compliance with the medical requirements for a CDL does not constitute either a violation or an immediate threat. This measure will allow the examiner of drivers to impose this restriction from driving in these situations.

This measure also conforms Hawaii's CDL law with Federal Motor Carrier Regulations. Failure to do so will result in the withholding of federal funds for every year the law is non-compliant. As Hawaii's State Highway Fund is presently facing revenue stream problems and budgetary shortfalls, a further loss of federal funds would be devastating.

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. 1094 and recommends it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 174                    Transportation on H.B. No. 1473**

The purpose of this bill is to provide an environmentally friendly strategy for the lighting of Hawaii's roads and highways by requiring the installation of fully or partially shielded lens fixtures on all outdoor lighting to direct the lighting downward.

The University of Hawaii System, Department of Design and Construction of the City and County of Honolulu (DDC), Department of Business, Economic Development and Tourism, and Hawaii Starlight Reserve Committee testified in support of the intent of this bill. The Department of Transportation (DOT) opposed this measure.

The use of fully or partially shielded lighting fixtures on Hawaii's roadways and highways will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security. These types of fixtures are also environmentally friendly and reduce the impact of non-shielded roadway lighting on endangered species.

Although your Committee appreciates the fact that the installation of fully and partially shielded lights has fiscal implications for DOT, this matter deserves further discussion.

Additionally, your Committee was informed by DDC that use of the terms "full-cutoff" and "semi-cutoff" rather than "fully shielded" and "partially shielded" would be more consistent with Illuminating Engineering Society of North America street illumination standards currently used for roadway lighting.

Your Committee has amended this bill by:

- (1) Changing the terms "fully shielded" and "partially shielded" to the terms "full-cutoff" and "semi-cutoff," respectively; and
- (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. 1473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1473, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee.

**SCRep. 175 Consumer Protection & Commerce on H.B. No. 320**

The purpose of this bill is to allow licensed real estate broker and real estate sales persons to prepare broker price opinions (BPO) for transactions where an actual appraisal is not required.

The Hawaii Association of REALTORS supported this measure. The Appraisal Institute supported the bill and suggested amendments. The Hawaii Bankers Association supported the intent of the bill. The Hawaii Real Estate Commission (Commission) provided comments.

A BPO can provide an estimate of the probable selling price of a property based on the selling prices of comparable properties in the area. They are frequently used to show sellers and buyers what similar homes have sold for and to assist the seller in determining a listing price. With the recent increase in home foreclosures, loan modifications, and short sales, BPOs have become an increasingly important tool.

Your Committee has amended this bill by inserting the suggestions of the Appraisal Institute including:

- (1) Additional information that must be included in a BPO;
- (2) A requirement that a BPO be in writing and conform to national standards; and
- (3) A mandate that the Commission standardize BPOs by adopting rules consistent with national standards and guidelines.

The bill was also amended to prevent those who are already involved in a sale, and who will receive compensation from that sale, from charging for a BPO.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 320, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 176 Consumer Protection & Commerce on H.B. No. 878**

The purpose of this bill is to provide clarity and flexibility to nonprofit corporations in using technology that is readily available to its leadership and members. Specifically, this measure:

- (1) Expressly permits members of nonprofit corporations to vote by ballot that may be transmitted electronically;
- (2) Allows directors of nonprofit organizations to receive notices of meetings by electronic transmission; and
- (3) Hold or facilitate meetings using electronic technology, such as the Internet, teleconference, or other form of electronic transmission.

The Department of Commerce and Consumer Affairs, Hawaii Association of Independent Schools, Hawaii State Teachers Association, University of Hawaii Professional Assembly, Hawaii Alliance of Nonprofit Organizations, and Hawaii Community Foundation 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. 878 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 177 Consumer Protection & Commerce on H.B. No. 1043**

The purpose of this bill is to assist the State in meeting its financial obligations during one of the most challenging economic times it has ever faced and allow the State to balance its budget by appropriating an unspecified amount of funds from the Hawaii Hurricane Relief Fund to the General Fund.

The Department of Budget and Finance supported this measure. The Board of Directors of the Hawaii Hurricane Relief Fund and Hawaii Association of REALTORS testified in opposition to this bill. The Department of Commerce and Consumer Affairs 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 H.B. No. 1043 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, Morita and Ching.  
(Representatives Cabanilla and Thielen voted no.)

**SCRep. 178 Consumer Protection & Commerce on H.B. No. 1447**

The purpose of this bill is to amend the Permitted Transfers in Trust Act passed last year that governs transfers of property from a transferor to a trustee using an irrevocable trust instrument. These amendments will make the State more competitive in the national and local marketplace. Specifically this bill, among other things, deletes the 1% excise tax on the fair market value of all permitted transfers and increases flexibility as to the nature and extent of the assets that may be managed by Hawaii's private financial sector.

Bank of Hawaii and an individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the requirement that a permitted trustee must maintain or arrange for custody *in the State* of property that is the subject of the permitted transfer. Testimony noted that some of the property might be maintained or custody could be arranged outside of the State; and
- (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. 1447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1447, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 179 Human Services on H.B. No. 768**

The purpose of this bill is to provide additional avenues to transition public assistance recipients into the workforce by authorizing the Department of Human Services (DHS) to establish the Supporting Employment Empowerment Hawaii Work Program.

A concerned individual supported this bill. DHS opposed this measure.

Your Committee has amended this measure by:

- (1) Removing the requirement that DHS reimburse employers in an amount equal to the current minimum wage plus 50 cents for each additional full dollar per hour paid over the minimum wage for up to forty hours per week;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 768, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 768, H.D. 2, and be referred to the Committee on Economic Revitalization & Business.

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

**SCRep. 180 Human Services on H.B. No. 1110**

The purpose of this bill is to prohibit courts from considering a person's federal veterans disability benefits when determining whether to award support and maintenance allowances, or the amount of any such allowance, to the person's spouse or former spouse.

The Oahu Veterans Council and a concerned individual testified in support of this bill. The Family Law Section of the Hawaii State Bar Association opposed this measure.

According to testimony submitted to your Committee, federal law does not permit the division of permanent disability retirement benefits in a divorce proceeding. While most service members do not qualify for permanent disability retirement, they may qualify for VA disability compensation, which is also not divisible in divorce. Testimony further revealed that Hawaii appellate courts have held that disability compensation could not be used as the basis for an award to the spouse.

Although your Committee recognizes the concerns raised in testimony, including that this measure may not be necessary, it would like to ensure that this bill is examined further to take all positions into consideration.

Accordingly, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1110, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

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

**SCRep. 181 Human Services on H.B. No. 1111**

The purpose of this bill is to prohibit courts, when determining awards relating to the dissolution of marriage, from:

- (1) Considering any federal veterans disability benefits;
- (2) Indemnifying the veteran's spouse or former spouse for any prejudgment or postjudgment waiver or reduction in military retirement or retainer pay related to receipt of the disability benefits; or
- (3) Awarding any other income or property of the veteran to the veteran's spouse or former spouse for any prejudgment or postjudgment waiver or reduction in military retirement or retainer pay related to receipt of the disability benefits.

The Oahu Veterans Council and a concerned individual testified in support of this bill. The Family Law Section of the Hawaii State Bar Association opposed this measure.

Your Committee notes the concerns raised in testimony regarding federal law pertaining to permanent disability retirement. According to testimony, permanent disability retirement is non-divisible in divorce. While most service members do not qualify for permanent disability retirement, they may qualify for VA disability compensation, which is also not divisible in divorce. Testimony also stated that pursuant to Hawaii case law disability compensation could not be used as the basis for an award to the spouse unless voluntarily agreed to by the service member.

Although your Committee recognizes the concerns raised in testimony, including that this measure may not be necessary, it would like to ensure that this bill is examined further to take all positions into consideration.

Accordingly, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1111, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

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

**SCRep. 182 Human Services on H.B. No. 1264**

The purpose of this bill is to protect victims of domestic abuse, where the convicted person knows the location of the victim's residence, place of employment, or school, by authorizing the court to order the convicted person to wear a global positioning satellite tracking device, and if so ordered, requiring the convicted person's location to be immediately transmitted to the victim and police, if the convicted person enters a court-defined geographic exclusion zone.

The Judiciary provided comments on this bill.

Your Committee acknowledges and appreciates the court's reservations with respect to its obligation under the bill, to immediately transmit the location of the convicted person when entering into a court-defined geographic exclusion zone, considering the court's limited resources and difficulties working as a law enforcement agency.

Your Committee has amended this bill by:

- (1) Making it discretionary, rather than mandatory, that the victim and the police be notified when the convicted person enters a court-defined geographic zone; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1264, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 183 Human Services on H.B. No. 1477**

The purpose of this bill is to authorize the Department of Human Services (DHS) to establish one or more Family Justice Centers to assist victims of domestic violence, sexual assault, elder abuse, or human trafficking, as well as to provide family-based social services. In establishing a Family Justice Center, DHS shall, among other things:

- (1) Engage in a strategic planning process to identify services that are most needed and develop a comprehensive funding strategy;
- (2) Develop an informed consent process to authorize sharing of information between individuals or agencies working in a center that includes immunity from being civilly liable for information shared with others in accordance with the informed consent policy; and
- (3) Allow a Family Justice Center to provide non-identifying, aggregate data on clients to the National Family Justice Center Alliance for statistical purposes that includes an immunity clause from being civilly liable for maintaining this information.

A concerned individual testified in support of this bill. DHS supports the intent of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu, Domestic Violence Action Center, and Hawaii State Coalition Against Domestic Violence testified in opposition to this bill. The Hawaii Family Law Clinic provided comments.

Your Committee finds that before statutorily authorizing DHS to establish one or more Family Justice Centers, that the matter first be scoped out with input from stakeholders due to prudence and the conservation of limited resources. Accordingly, your Committee has amended this bill by substituting a substantial portion of its contents with provisions that authorize DHS to establish a Family Justice Center Task Force (Task Force), which terminates on June 30, 2012, to consider the establishment of Family Justice Centers with the same mission as set forth in the bill as received by your Committee. Among other things, the amendments:

- (1) Establish the Task Force membership make up of executive department and agency heads, county and judicial representatives, and other stakeholders;
- (2) Require the Task Force to coordinate with state and county agencies and local nonprofit service providers to identify those services that are most needed;
- (3) Require the Task Force to identify all funding sources for the establishment of the Family Justice Centers;
- (4) Require the Task Force to develop an informed consent process to authorize the sharing of confidential, privileged, or protected information between individuals or agencies working in a center; and
- (5) Require the Task Force to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2012 Regular Session.

Your Committee also amended the bill as received by your Committee by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1477, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 184 Human Services on H.B. No. 1263**

The purpose of this bill is to promote and support healthy families in Hawaii by:

- (1) Extending the term of office of the members of the Commission on Fatherhood from two to four years; and
- (2) Limiting the number of terms a member may serve on the Commission on Fatherhood to two terms.

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. 1263 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 185 Health on H.B. No. 614**

The purpose of this bill is to reinstate hospital-based assessments and improve home visiting services to high-risk families of newborns by:

- (1) Establishing a hospital-based screening and assessment and intensive home visitation program within the Department of Health (DOH) that follows the guidelines of the improved Healthy Start and Healthy Families America programs;

- (2) Appropriating \$3,000,000 in each year of the 2011-2013 fiscal biennium from the Hawaii Tobacco Settlement Special Fund for hospital-based assessment and screening and intensive home visiting services; and
- (3) Appropriating \$3,000,000 in each year of the 2011-2013 fiscal biennium from the Temporary Assistance for Needy Families fund for intensive home visiting services.

Maui Family Support Services, Inc., Child & Family Service, Aloha United Way, and several concerned individuals testified in support of this bill. DOH supported the intent of this measure. The American Cancer Society Hawaii Pacific, Inc., opposed this bill. The Department of Human Services, Hawaii Family Support Institute, Good Beginnings Alliance, Coalition for a Tobacco-Free Hawaii, and many concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Referencing "multidisciplinary teams" rather than specific programs such as Healthy Start and Healthy Families America; and
- (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. 614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 186 Health on H.B. No. 1330**

The purpose of this bill is to extend the authorization that allocates a portion of Hawaii Tobacco Settlement Special Fund moneys to the John A. Burns School of Medicine for annual operating expenses.

The University of Hawaii System, the Healthcare Association of Hawaii, Hawaii Pacific Health, the Hawaii Medical Service Association, the Hawaii Primary Care Association, Kalihi-Palama Health Center, The Chamber of Commerce of Hawaii, The Queen's Health Systems, and numerous concerned individuals testified in support of this bill. The Hawaii COPD Coalition and Coalition for a Tobacco-Free Hawaii opposed this measure. The Department of Health, American Cancer Society, and American Heart Association provided comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1330, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 187 Health on H.B. No. 821**

The purpose of this bill is to help increase affordability for families caring for members with autism spectrum disorders by requiring providers of accident and health or sickness insurance and mutual benefit societies to provide health care coverage and benefits for autism spectrum disorders beginning no later than December 31, 2011.

The Hawaii Disability Rights Center and many concerned individuals supported this bill. The Hawaii Association of Health Plans and Hawaii Medical Service Association opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this bill by limiting the mandatory insurance coverage to that which is in excess of services provided by the Department of Health and Department of Education.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 821, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 188 Health on H.B. No. 116**

The purpose of this bill is to encourage the establishment of modern medical and research facilities within the State and attract highly skilled general and specialized medical, research, and health care professionals to work in Hawaii by establishing a Medical Enterprise Zone (MEZ) Pilot Program in West Maui for a period of seven years. Among other things, this measure:

- (1) Establishes criteria for qualified businesses to meet in order to receive the benefits of being located in an MEZ;
- (2) Establishes a graduated system of tax credits for businesses located in an MEZ;

- (3) Provides for certain general excise tax and use tax exemptions;
- (4) Provides for the establishment of local incentives to attract businesses to an MEZ; and
- (5) Provides for the termination of an MEZ.

The Mayor of the County of Maui, Hawaii Medical Association, West Maui Veterans Club, Maui County Veterans Council, West Maui Improvement Foundation, West Maui Taxpayers Association, Maui Hotel & Lodging Association, Hawaii Association for Justice, and numerous concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Amending the definition of "medical or research facility" to remove the discretion given to DBEDT to determine whether a facility falls within this definition;
- (2) Removing the 30- and 60-day time limitations for the designation of a proposed area as an MEZ and approval of that designation by DBEDT, respectively;
- (3) Specifying that a facility may qualify for MEZ tax incentives if a facility:
  - (A) Has at least 25 percent of its gross receipts attributable to its operations in the MEZ;
  - (B) Increases its average annual number of full-time employees by at least 25 percent in its first year of participation; and
  - (C) Increases its average number of full-time employees employed at the facility within the MEZ by at least ten percent annually;
- (4) Establishing the income tax and unemployment tax credits at 25 percent of the applicable taxes due the first three years as a qualified business;
- (5) Removing language establishing graduated amounts of the income tax and unemployment tax credits over a period of seven years;
- (6) Changing its effective date to January 1, 2050, and the repeal date to January 1, 2053; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 116, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 189            Health on H.B. No. 902**

The purpose of this bill is to improve access to health care in Hawaii, particularly in rural areas, by establishing the Hawaii Medical Doctor Loan Program (Program). Specifically, the Program will provide a low interest loan with waiver provisions to individuals who agree to practice in rural areas of the State, as designated by the University of Hawaii (UH), who are also:

- (1) Students who complete a State-approved medical school program at UH; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program.

The Hawaii Medical Association, Healthcare Association of Hawaii, and several concerned individuals testified in support of this bill. The Department of Budget and Finance provided comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 902, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 190            Health on H.B. No. 1201**

The purpose of this bill is to allow the State to conform to new federal regulations under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, in a manner consistent with local practice by establishing a private, nonprofit Hawaii Health Benefit Exchange.

The American Cancer Society, Hawaii Medical Service Association, and Hawaii Association of Health Plans supported this bill. The State Insurance Commissioner supported the intent of this measure. The American Family Life Assurance Company of Columbus provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions establishing a Hawaii Health Benefit Exchange Oversight Council;
- (2) Increasing the number of members of the Board of Directors of the Hawaii Health Benefit Exchange from seven to nine, to include two additional members appointed by the Governor from the community;
- (3) Requiring the Board of Directors to submit an annual report to the Legislature;
- (4) Authorizing the Board of Directors to establish fees to offset administrative costs; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1201, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 191            Health on H.B. No. 904**

The purpose of this bill is to prohibit the sale of caffeinated alcoholic beverages unless they are labeled as an "intoxicating liquor" and contain a warning of their harmful effects.

MADD Hawaii testified in support of this bill. The Distilled Spirits Council of the United States supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Replacing the term "caffeinated alcoholic beverage" with "caffeinated beer beverage";
- (2) Clarifying the warning that the potential harmful effects of consuming a caffeinated beer beverage may increase, rather than be similar to, the potential harmful effects of consuming an intoxicating liquor;
- (3) Defining "caffeinated beer beverage" as beer in which caffeine has been intentionally added as a food additive to the beverage; and
- (4) Exempting beverages made with ingredients that contain naturally occurring caffeine such as coffee, tea, cacao, or extracts derived from those foods.

As affirmed by the 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. 904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 904, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 192            Health on H.B. No. 756**

The purpose of this bill is to:

- (1) Require the Disability and Communication Access Board (DCAB) to charge a fee to review all plans and specifications for state and county buildings, facilities, and sites;
- (2) Establish a fee schedule for DCAB's review services;
- (3) Establish an Accessible Building Design Special Account within the DCAB Special Fund; and
- (4) Require DCAB to report annually to the Legislature regarding the reviews conducted.

Several concerned individuals testified in support of this bill. DCAB supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Establishing a provisional fee schedule until DCAB establishes a fee schedule through rules instead of statutorily establishing a fee schedule;
- (2) For projects with estimated costs exceeding \$10,000,000, charging a fee of \$5,000 plus \$1,000 on each additional \$5,000,000 of estimated project costs, instead of charging a fee of \$5,000 plus \$1,000 on each additional \$10,000,000 of estimated construction costs;



- (3) Changing the effective date to 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 756, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee.

**SCRep. 193 Energy & Environmental Protection on H.B. No. 422**

The purpose of this measure is to apply the solid waste management surcharge to: incineration and waste-to-energy facilities that dispose of solid waste within the State; and solid waste reduction facilities that collect and prepare solid waste for transport to out-of-state landfills, incineration facilities, and waste-to-energy facilities.

The Department of Health testified in support of the measure.

Your Committee finds that the solid waste management surcharge is the main funding source for the Department of Health's solid waste regulatory program and that this measure will assist the program in maintaining necessary funding levels.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 422, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 194 Energy & Environmental Protection on H.B. No. 982**

The purpose of this measure is to increase the use of renewable energy sources to generate electrical energy.

More specifically, this measure includes customer-sited, grid connected renewable energy generation in the definition of the term "renewable electrical energy" beginning January 1, 2015.

Testimony in support of the measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Renewable Energy Alliance, the Hawaiian Electric Company and its subsidiaries, and the Sierra Club Hawaii Chapter. Testimony in opposition of the measure was submitted by the Hawaii Solar Energy Association. The Public Utilities Commission submitted comments on the measure.

Your Committee finds that including customer-sited, grid-connected renewable energy generation in the definition of "renewable electrical energy" will reduce the State's reliance on imported fuel by encouraging and facilitating the use of renewable energy from various sources. Your Committee further finds that this measure clarifies that all customer-sited, grid-connected renewable energy generation will count towards the renewable portfolio standards of an electric utility.

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. 982 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Har, Ito and Morita.

**SCRep. 195 Hawaiian Affairs on H.B. No. 224**

The purpose of this bill is to support historic preservation in Hawaii by, among other things:

- (1) Establishing a special account within the Hawaii Historic Preservation Special Fund to be known as the Archaeological Permit Special Account (Special Account), to which will be credited all archaeological permit fees collected;
- (2) Requiring that moneys credited to the Special Account first be used to cover the administrative and operational costs of managing the archaeological permit system; and
- (3) Requiring the Board of Land and Natural Resources to amend appropriate administrative rules to increase archaeological permit fees from the current rate of \$50 to at least \$1,000 and to specify that the archaeological permit fees must be deposited into the Special Account.

Papa Ola Lokahi supported this bill. The Office of Hawaiian Affairs supported the intent of this measure. The Department of Land and Natural Resources and the Society for Hawaiian Archaeology opposed this bill. A concerned individual submitted comments.

After careful consideration, your Committee has amended this bill by, among other things:

- (1) Phasing in the increase in archaeological permit fees as follows:
  - (A) From \$50 to \$500 for the period from January 1, 2012, to December 31, 2012; and
  - (B) From \$500 to \$1,000 beginning on January 1, 2013;
- (2) Exempting persons who conduct archaeological activities for strictly educational purposes or community benefit from the increase in the archaeological permit fee; 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 is in accord with the intent and purpose of H.B. No. 224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 224, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Pine.

**SCRep. 196            Tourism on H.B. No. 394**

The purpose of this bill is to propose a constitutional amendment to legalize slot machine and video poker gambling in designated resort areas on the island of Oahu.

Paradise Cruise, Ltd. offered comments.

Your Committee has amended this bill by:

- (1) Removing the words "within Waikiki" throughout the bill to expand the scope of possible locations for slot machine and video poker gambling;
- (2) Changing the effective date to July 1, 2015, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 394, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 197            Tourism on H.B. No. 548**

The purpose of this bill is to hold responsible the authors or publishers of visitor guide websites or publications that encourage, invite, or attract persons, who in reliance thereon, commit the offense of criminal trespass when entering or remaining on remote private property to experience an attraction or activity thereon by:

- (1) Making the author or publisher civilly liable for injury or death resulting therefrom; and
- (2) Exempting the owner or occupier of the private land from liability for any injury or death of any trespasser.

The bill also expands the offense of criminal trespass in the second degree to include a person who enters or remains, without permission, on unimproved or used private lands that are secured in a manner to exclude intruders or have "Private Property" or "No Trespassing" signs.

The Hawaii Tourism Authority; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Maui Cattlemen's Association; Maui Hotel & Lodging Association; Poipu Beach Resort Association; Grove Farm Company, Inc.; and numerous individuals testified in support of this measure. The Hawaii Association for Justice opposed this measure. Kauai Visitors Bureau, Fathom Five Divers, Inc., and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Before attaching civil liability to the author or publisher, requiring that they must have knowingly or negligently encouraged or invited the person onto privately owned land that is not open to the public;
- (2) Rather than exempting the owner or occupier of the land from liability, requiring the website or publication to defend and indemnify them from any liability arising from the death or injury of the intruders;
- (3) Deleting references to criminal trespass;
- (4) Conforming its findings and purpose section to the amendments; and
- (5) Making technical, nonsubstantive revisions for clarity, consistency, and style.

Your Committee requests the Committee on Judiciary, should it decide to hold a hearing on this bill, to review, analyze, and address any constitutional concerns regarding this bill.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 548, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 548, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Nishimoto.

**SCRep. 198 Water, Land, & Ocean Resources on H.B. No. 1617**

The purpose of this bill is to assist Hawaii's visitor industry and provide a means of infrastructure improvements to public lands while protecting State interests by:

- (1) Providing for an extension of leases of public lands for commercial, hotel, resort, or industrial use to a maximum of 55 years if substantial improvements are made to the demised premises;
- (2) Requiring that the plans and specifications for the total development being proposed be submitted to the Board of Land and Natural Resources (BLNR) for review prior to a development agreement being entered into; and
- (3) Prohibiting the commencement of construction until a sufficient bond conditioned upon the full and faithful performance of all the terms and conditions of the development agreement has been filed with BLNR.

The Hawaii Tourism Authority testified in support of this bill. The Department of Land and Natural Resources testified in opposition to this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617 and recommends that it pass Second Reading and be referred to the Committees on Tourism and Economic Revitalization & Business.

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

**SCRep. 199 Public Safety & Military Affairs on H.B. No. 318**

The purpose of this bill is to discuss the impact of vog on the people of Hawaii and find ways to address these issues by establishing a Volcanic Activity Task Force.

The Department of Education, the Mayor of the County of Hawaii, a Hawaii County councilmember, and the Hawaii Farm Bureau Federation testified in support of this bill. The Department of Defense opposed this measure.

Your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion. Your Committee has also made 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 318, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 200 Human Services on H.B. No. 514**

The purpose of this bill is to appropriate funds to the Department of Human Services (DHS) as a grant for the establishment and operation of a comprehensive deaf center.

Numerous individuals testified in support of this measure. DHS and a concerned individual support the intent 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. 514 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 201 Human Services on H.B. No. 1212**

The purpose of this bill is to appropriate funds for substance abuse treatment and to establish new or assist existing community centers to prevent at-risk youth from engaging in substance abuse.

The Coalition for a Drug-Free Hawaii, Community Works in 96744, and the Hawaii Substance Abuse Coalition testified in support of this bill.

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

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. 1212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1212, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 202            Transportation on H.B. No. 1435**

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

- (1) Retroactively allows persons arrested for a repeated violation of the offense of operating a vehicle under the influence of an intoxicant (OVUII repeat offender) after December 31, 2010, to request the return of any motor vehicle registration and number plates required to be surrendered;
- (2) Requires return of the motor vehicle registration and number plates to individuals covered by (1) above making such a request, with certain exceptions;
- (3) Allows the OVUII repeat offender covered by (1) to apply for an ignition interlock permit upon return of the motor vehicle registration and number plates;
- (4) Repeals the definitions of "qualified household member," "temporary number plates," and "temporary vehicle registration" from the Interlock Law as these definitions are no longer necessary;
- (5) Removes motor vehicle registration revocation and surrender of number plates requirements for cars owned by OVUII repeat offenders to permit these individuals to install an ignition interlock device in their vehicles;
- (6) Deletes provisions allowing the Director to grant a special motor vehicle registration to certain individuals upon the determination that the individual is completely dependent on the motor vehicle for the necessities of life as this language is no longer necessary;
- (7) Removes language stipulating certain specific costs for which the \$30 fee for an administrative hearing would be used to pay for;
- (8) Repeals language requiring the revocation of a motor vehicle registration under the Interlock Law be electronically entered into the motor vehicle registration file;
- (9) Deletes language providing criteria for re-registration of a motor vehicle whose registration was administratively revoked under the Interlock Law;
- (10) Prohibits ignition interlock permits to be issued to any defendant who holds a learner's permit;
- (11) Repeals unnecessary statutory provisions relating to special series number plates, failure to surrender number plates, special motor vehicle registration, and prohibitions governing the transfer of title to, or ownership of interest in, a motor vehicle; and
- (12) Extends the term of the Task Force for an additional year.

The Department of the Attorney General, Department of Health, Task Force, Department of Transportation, City and County of Honolulu, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Mothers Against Drunk Driving HAWAII, Office of the Public Defender, and Administrative Driver's License Revocation Office of the Judiciary testified in support of this bill. A concerned individual testified in support of the intent of this measure.

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 and made additional recommendations to the Legislature during the Regular Session of 2010. The culmination of the Task Force recommendations was the enactment of the Interlock Law in January of 2011.

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, has been shown to be an effective method of stopping alcohol-impaired drivers from getting behind the wheel of their vehicles. With an annual average of 5,500 OVUII arrests in Hawaii each year, enactment of the Interlock Law was viewed as another step toward stopping the senseless tragedies of alcohol-related traffic fatalities. However, since the implementation of the Interlock Law in January of 2011, it was discovered that there were statutory conflicts that would prohibit repeat OVUII offenders from the ability to participate in the ignition interlock program. This measure corrects this oversight.

While repeat offenders are being allowed to take part in the ignition interlock program under this measure, individuals who have had their licenses administratively revoked for life as a result of multiple OVUII convictions are not eligible to participate in this program, even if they remained

alcohol free and performed meritorious service for over a decade. Your Committee finds that every individual can be reformed and deserves a second chance. Accordingly, your Committee has amended this measure by:

- (1) Allowing an individual who has had their license to operate a motor vehicle revoked for life to be eligible for a temporary permit to drive if certain conditions are met, including the installation of an ignition interlock device on their vehicle;
- (2) Establishing various time-periods required for an ignition interlock device to be installed in the vehicle of an individual under (1) above depending on how long the individual has been without a license to operate a motor vehicle; and
- (3) Allowing for an individual covered under (1) above to be eligible for relicensing after certain requirements are met and the temporary permit expires.

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. 1435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1435, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 203 Water, Land, & Ocean Resources on H.B. No. 377**

The purpose of this bill is to ensure state lands are used to promote the preservation and development of Hawaiian fishponds by requiring the Board of Land and Natural Resources to:

- (1) Give preference for leases to state lands suitable for Hawaiian fishponds to those developing Hawaiian fishponds pursuant to Chapter 183B, Hawaii Revised Statutes (HRS); and
- (2) Adopt rules pursuant to Chapter 91, HRS, to effectuate the preferential assignment of leases to developers of Hawaiian fishponds.

The Sierra Club-Hawaii Chapter and a concerned individual testified in support of 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. 377 and recommends that it pass Second Reading and be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representative Chong.

**SCRep. 204 Water, Land, & Ocean Resources on H.B. No. 585**

The purpose of this bill is to appropriate \$1,000,000 for each year of the 2011-2013 fiscal biennium for staffing and operating expenses of the Department of Land and Natural Resources' (DLNR) Dam Safety Office.

The Hawaii Farm Bureau Federation; Maui County Farm Bureau; Alexander & Baldwin, Inc.; the Hawaiian Commercial & Sugar Company; Kauai Coffee Company; and Hawaii Cattlemen's Council 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. 585 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 205 Water, Land, & Ocean Resources on H.B. No. 1082**

The purpose of this bill is to establish the Conservation and Resources Enforcement Special Fund to be administered by the Department of Land and Natural Resources (DLNR) to be used for conservation and enforcement related to the management, protection, and preservation of certain public lands.

DLNR, the Hanalei Watershed Hui, the Hawaii Community Stewardship Network, The Nature Conservancy of Hawaii, Malama Pupukeya-Waimea, and 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. 1082 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 206 Energy & Environmental Protection on H.B. No. 1017**

The purpose and intent of this measure is to expand the renewable energy facility siting process to include biofuel production facilities and distribution infrastructure with the capacity to produce or distribute one hundred thousand gallons or more of biofuel annually, so that such facilities and infrastructure may benefit from the expedited permitting process under that law.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure encourages and expedites the permitting process for the development of renewable energy facilities in Hawaii. By expanding the renewable energy facility siting process to include distribution infrastructure and biofuel producers with lower production capacities, the State will increase participation in the process and more quickly achieve its clean energy goals.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 207 Health on H.B. No. 512**

The purpose of this bill is to provide insurance coverage for palliative care for persons diagnosed with a chronic or serious disease as well as to covered persons who are caregivers, family members, or household members of a person who is diagnosed with a chronic or serious disease.

The American Cancer Society, Hawaii Association of Nurse Anesthetists, Healthcare Association of Hawaii, and several concerned individuals testified in support of this measure. The State Insurance Commissioner, Hawaii Association of Health Plans, Hawaii Medical Service Association, The Healthcare Association, and one concerned individual offered comments.

Your Committee finds that the measure should include an industry-wide definition of palliative care to ensure consistency of care, and that reference to "other medical treatment" must also be clarified.

Your Committee has amended this bill by:

- (1) Including a consistent, industry-wide definition of "palliative care";
- (2) Deleting references to "other medical treatment";
- (3) Adding references to "curative treatments";
- (4) Limiting palliative care insurance coverage to persons diagnosed with a chronic or serious illness; 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. 512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 512, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 208 Health on H.B. No. 889**

The purpose of this bill is to protect consumers of hospital services by establishing procedures that require hospitals to collect data and report to the public on infection rates.

Consumers Union supported this bill. The Healthcare Association of Hawaii supported this measure with amendments. The Department of Health (DOH) and Kaiser Permanente provided comments.

Your Committee has amended this bill by:

- (1) Deleting its contents; and
- (2) Inserting provisions that, among other things, require:
  - (A) Each health care facility certified by the Centers for Medicare and Medicaid Services to report on health care-associated infections to the Centers for Disease Control and Prevention's National Healthcare Safety Network;
  - (B) Each health care facility to authorize DOH to access reported health care-associated infection data; and
  - (C) DOH to prepare an annual public report on health care-associated infections beginning in 2013.

As affirmed by the 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. 889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 889, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 209 Health on H.B. No. 127**

The purpose of this bill is to require hospitals that provide emergency care to provide certain services to a sexual assault survivor, including:

- (1) Providing medically and factually accurate and unbiased written and oral information about emergency contraception;
- (2) Informing female sexual assault survivors of the option to receive emergency contraception;
- (3) Providing emergency contraception upon request, when medically indicated; and
- (4) Ensuring that the appropriate staff are adequately trained with regard to emergency contraception information and accessibility, and sexual assault treatment options.

This measure also requires the Department of Health (DOH) to establish policies and procedures to monitor compliance and gives DOH the ability to set, charge, and collect fines and recover administrative fees and costs.

The City and County of Honolulu Department of the Prosecuting Attorney, American Civil Liberties Union of Hawaii, The Sex Abuse Treatment Center, Healthy Mothers Healthy Babies Coalition of Hawaii, Papa Ola Lokahi, Planned Parenthood of Hawaii, The League of Women Voters of Hawaii, Democratic Party of Hawaii Women's Caucus, Women's Coalition, and many concerned individuals testified in support of this bill.

The Hawaii Family Forum, Hawaii Catholic Conference, St. Francis Healthcare System of Hawaii, Hawaii Right to Life, Pro-Family Hawaii, and many concerned individuals opposed this measure. Kaiser Permanente Hawaii, Hawaii Health Systems Corporation, the Healthcare Association of Hawaii, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Referencing "providers", in addition to hospitals;
- (2) Defining "provider" as any entity that provides sexual assault survivor services in a non-hospital setting;
- (3) Specifying that "medical care" includes outside consultation and referrals;
- (4) Delineating services that are required of sexual assault service providers, including:
  - (A) Having certain medically trained personnel ready to respond within 30 minutes of admitting a sexual assault survivor;
  - (B) Providing medically accurate information;
  - (C) Providing transportation and the initial dose of medication, and counseling services at no cost to the provider; and
  - (D) Having staff available to provide services 24 hours per day, seven days a week;
- (5) Changing the effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 127, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 210 Economic Revitalization & Business on H.B. No. 734**

The purpose of this bill is to address the issue of poverty in Hawaii by establishing the Economic Opportunity Poverty Reduction Task Force (Task Force) to study and evaluate issues relating to poverty, and develop a strategic, integrated, and comprehensive plan (Plan) to expand economic opportunities and reduce, by at least 50 percent by 2021, the number of Hawaii residents living in poverty.

The Hawaii Alliance for Community Based Economic Development, Healthy Mothers Healthy Babies, and Hawaii Habitat for Humanity supported this bill. The Office of Community Services of the Department of Land and Natural Resources supported the intent of this measure.

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

- (1) Reducing the membership of the Task Force from ten to five members, and providing a process for appointing members as follows:

- (A) Two members appointed by the Senate President from lists submitted by the Senate Majority Leader and Senate Minority Leader;
  - (B) Two members appointed by the Speaker of the House from lists submitted by the House Majority Leader and House Minority Leader; and
  - (C) One member appointed by the Governor;
- (2) Deleting the procedure for selecting a chairperson for the Task Force and, instead, requiring the members to select a member to serve as chairperson;
  - (3) Changing the deadline for the completion of the Plan and submittal of the first report to the Legislature to before December 22, 2012, and requiring subsequent reports to the Legislature to be submitted before December 22 of each year;
  - (4) Inserting an appropriation for operational expenses of the Task Force;
  - (5) Changing its effective date to July 1, 2112, to encourage further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 734, H.D. 1, and be referred to the Committee on Human Services.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 211 Economic Revitalization & Business on H.B. No. 980**

The purpose of this bill is to ensure that administrative rules are reviewed and updated to remain current by:

- (1) Requiring the Small Business Regulatory Review Board (Board) to work with state agencies to identify rules that need to be amended or repealed to conform to the repeal or amendment of underlying statutes, and to ensure that statutory references in rules are current; and
- (2) Directing the Governor to work with the Board and other state agencies to develop internal processes to expedite rulemaking actions that consist solely of amendments to, and repeal of, rules to conform to the amendment or repeal of statutes.

The Department of Business, Economic Development, and Tourism and Ocean Tourism Coalition supported this bill. Two concerned individuals submitted comments.

Your Committee respectfully requests your Committee on Finance to consider resources that may be available to assist the Board in addressing the issue of the impact that statutory changes has on rules.

Upon further consideration and in light of issues raised during the public hearing, your Committee has amended this measure by:

- (1) Deleting the provision requiring the Board to work with state agencies to identify rules and, instead, requiring each state agency having rules affecting small business to submit an annual report to the Board containing certain information relating to statutory changes that impact the rules affecting small business;
- (2) Requiring the Governor to direct each state agency to work with the Board to develop internal processes to expedite rulemaking actions for rules that affect small business and require amendment or adoption, due to a change in the applicable law;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 980, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 212 Economic Revitalization & Business on H.B. No. 1342**

The purpose of this bill is to expedite the deployment of broadband technology in Hawaii by:

- (1) Temporarily exempting actions relating to the installation, improvement, construction, or development of broadband infrastructure from county permitting requirements and state permitting and approval requirements, under certain conditions; and



- (2) Prohibiting a person or entity from being required to upgrade or replace an existing utility pole when using that pole to install new or improve existing telecommunications cables, under certain conditions.

Akaku: Maui Community Television and Hawaiian Telcom supported this bill. The Department of Transportation (DOT), Cable Television Division of the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu opposed this bill.

Your Committee notes that DOT in its testimony recommended adding a provision to require an entity to obtain a highway permit under section 264-6, Hawaii Revised Statutes, for any work within the DOT Highways Division's right-of-way. As an alternative, your Committee considered requirements to notify DOT in lieu of establishing a permit requirement. Your Committee respectfully requests your Committee on Consumer Protection and Commerce to review this matter further.

Your Committee has amended this measure by:

- (1) Specifying that the overall weight load on the utility pole must not exceed maximum utility pole safe weight capacities established by the Hawaii Public Utilities Commission, in addition to the Federal Communications Commission, when using that pole to install new or improve existing telecommunications cables;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1342, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 213 Economic Revitalization & Business on H.B. No. 1621**

The purpose of this bill is to ensure the health and safety of dogs and protect the community from purchasing unhealthy dogs by establishing license requirements to regulate large scale dog breeders.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Humane Society of the United States, Hawaiian Humane Society, Maui Humane Society, Waimanalo Agricultural Association, Oahu SPCA, and numerous concerned individuals supported this bill. The Hawaiian Chinese Shar-Pei Club and several concerned individuals opposed this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and Poi Dogs & Popoki submitted comments.

Your Committee notes that the public hearing on this measure included discussions on whether a sunrise audit must be performed before the new licensing requirements contained in this measure are enacted.

Your Committee also notes that concerns were raised regarding imposing limits, if any, on the amount of puppies that may be bred by a dog breeder in a given time period, such as a month or a year. In addition, the issue of whether this measure provides an appropriate level of enforcement authority may require further discussion and deliberation.

Accordingly, your Committee will continue to work on this bill as it moves forward and respectfully requests your Committee on Consumer Protection and Commerce and your Committee on Judiciary to address the aforementioned issues when this bill is referred to those committees.

Your Committee has amended this measure by:

- (1) Deleting specific references to "large scale" dog breeders;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1621, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 214 Housing on H.B. No. 1464**

The purpose of this bill is to protect the rights of members belonging to planned community associations by promoting transparency and the open exchange of ideas by:

- (1) Prohibiting the Board of Directors (Board) of planned community associations from harassing or intimidating its members;
- (2) Holding Board members jointly and severally liable for the loss of enjoyment of a member's real property, harassment and intimidation of a member, and breaching the duty of loyalty by benefiting financially from a Board decision or action; and

- (3) Requiring reasonable notice of scheduled meetings and pending decisions and actions of the Board. Many individuals testified in support of this measure. The Mililani Town Association, Princeville at Hanalei Community Association, Liolio Association of Apartment Owners, Consolidated Resorts Management, the Keauhou Kona Surf and Racquet Club, and numerous concerned individuals opposed this bill. The Hawaii Council of Associations of Apartment Owners, the Community Associations Institute – Hawaii Chapter, and several individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing the language that holds Board members jointly and severally liable for certain violations under chapter 421J, Hawaii Revised Statutes;
- (2) Adding language that prohibits a Board member from financially benefiting from any decision made or action taken by the Board; and
- (3) Making technical, nonsubstantive changes for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1464, 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, Herkes and Morita.

**SCRep. 215 Housing on H.B. No. 1135**

The purpose of this bill is to:

- (1) Notify certain mortgagors about credit counseling prior to a regular nonjudicial foreclosure; and
- (2) Allow certain mortgagors to forestall nonjudicial foreclosure proceedings by requesting a copy of the promissory note and mortgage document.

Hawaiian Community Assets testified in support of this bill with amendments. The Hawaii Bankers Association, Mortgage Bankers Association of Hawaii, Hawaii Credit Union League, and a concerned individual opposed this measure. The Department of Commerce and Consumer Affairs offered comments.

Your Committee has amended this bill by:

- (1) Requiring a mortgagor to send a request for a promissory note and mortgage document by regular mail postage prepaid, instead of by certified, registered, or express mail with prepaid postage and a request for a return receipt; and
- (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. 1135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1135, 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, Herkes and Morita.

**SCRep. 216 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 122**

The purpose of this bill is to encourage and facilitate the development of renewable energy facilities in Hawaii by extending the exemption for renewable energy projects from subdivision requirements on State agricultural or conservation lands.

The Department of Business, Economic Development and Tourism and Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure.

Hawaii is one of the most fossil fuel dependent states in the nation with a majority of our oil being imported. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel and price volatility can negatively impact the environment and economic health of the people of Hawaii. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets.

Increasing energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation. To develop and finance renewable energy facilities, a site for the facilities and access to the site must often be leased, granted as an easement, or mortgaged to provide financing for the project. Renewable energy projects may require site acreage or configurations that do not coincide with existing, already subdivided lot boundaries. Currently, however, subdivision laws generally prohibit the transfer of an interest in land that is not an entire subdivided lot or easement that has been approved by the applicable county. With respect to land in the land court system, the additional step of obtaining land court approval is required. Act 173, Session Laws of Hawaii 2009, was enacted to address this issue.

Your Committee finds that extending the sunset date of Act 173 will further encourage the development of renewable energy facilities and assist Hawaii in meeting its clean energy goals.

Your Committee has amended this bill by specifying that the exemption for renewable energy projects from subdivision requirements on State agricultural or conservation lands shall be extended until July 1, 2020.

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. 122, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, and be referred to the Committee on Agriculture.

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

**SCRep. 217 Labor & Public Employment on H.B. No. 835**

The purpose of this bill is to provide a mechanism to reduce unfunded liabilities for pension benefits and other post-employment benefits for state employees by using excess general fund revenues in years when the excess equals or exceeds seven percent.

The Legislative Committee of the Employees' Retirement System and the Hawaii Fire Fighters Association supported this measure. The Department of Budget and Finance supported the intent of this bill.

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

Your Committee is concerned with the unfunded liabilities for state employee pension benefits. It is important to fully fund these and by using excess revenues to do this, other state programs and funds will not be affected.

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. 835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 835, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 218 Human Services on H.B. No. 772**

The purpose of this bill is to provide swift, certain, and consistent responses to domestic violence, as well as victim safety and improved access to court case information, social services, housing, and counseling by establishing a domestic violence court within the family court. This bill, among other things:

- (1) Gives the domestic violence court exclusive original jurisdiction over cases involving:
  - (A) Any offense committed against a child by the child's parent or guardian or by any other person having the child's legal or physical custody, pertaining to the abuse of family or household members;
  - (B) Any adult charged with an offense, other than a felony, against the person of the defendant's husband or wife; and
  - (C) Any violation of a domestic abuse protective order issued under chapter 586, Hawaii Revised Statutes;
- (2) Provides that the new domestic violence court in each circuit shall include, among other things:
  - (A) An existing family court judge in that circuit, to be selected by the Chief Justice, as the dedicated domestic violence court judge who presides over each case from arraignment through disposition;
  - (B) A resource coordinator and an on-site victim advocate who is a licensed social worker in the State; and
  - (C) The authority to require domestic violence offenders to attend rehabilitation, education, vocation, medical, mental-health, and substance abuse treatment programs, and monitor the execution of the offender's treatment plan and their compliance with the treatment plan;

and
- (3) Authorizes and appropriates funds for the establishment of eight social worker positions to staff the domestic violence court.

The AngelGroup, Catholic Charities Hawaii, and several concerned individuals testified in support of this bill. A concerned individual opposed this measure. The Judiciary commented on this bill.

Your Committee has amended this bill by:

- (1) Establishing a three-year Domestic Violence Court Pilot Program to establish a domestic violence court in the Family Court of the First Circuit, with a dedicated judge to be selected by the Chief Justice and the Senior Family Court Judge from among the existing family court judges;

- (2) Requiring the Judiciary to submit an annual report on the Domestic Violence Court Pilot Program, including findings and recommendations, to the Legislature no later than 20 days prior to the convening of the 2012, 2013, and 2014 Regular Sessions;
- (3) Removing language authorizing and appropriating funds for eight full-time social worker positions to staff the domestic violence court;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 772, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 772, H.D. 2, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Wooley.

**SCRep. 219 Human Services/International Affairs on H.B. No. 871**

The purpose of this bill is to update the Uniform Interstate Family Support Act (UIFSA) to:

- (1) Reflect the changes made to UIFSA by the National Conference on Commissioners on Uniform State Laws; and
- (2) Include the requirements of the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance.

Your Committees' understanding is that the State is in compliance with section 466(f) of the Social Security Act (42 U.S.C. §666(f)), which specifically requires states to adopt the 1996 version of UIFSA. Your Committees note the concerns raised by the Department of the Attorney General (AG) that unless and until federal law is changed to require states to adopt this version of UIFSA, Hawaii will be out of compliance with existing federal law should this bill pass. The AG has also raised inconsistencies in the wording and application of definitions contained in the bill. Your Committees believe that this bill merits further consideration and therefore request the House Committee on Judiciary to consider this bill and the concerns raised by the AG.

The Commission to Promote Uniform Legislation testified in support of this measure. The AG testified in opposition to this measure.

Your Committees have amended this bill by:

- (1) Extending the effective date of this bill to July 1, 2020, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 871, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 871, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee, McKelvey, Morikawa, Nishimoto and Wooley.  
(Representative Ward voted no.)

**SCRep. 220 Hawaiian Affairs on H.B. No. 222**

The purpose of this bill is to statutorily require that:

- (1) All revenue derived from the public land trust shall be expended by the Department of Hawaiian Home Lands (DHHL) for the development of farm and home ownership without affecting the pro rata share to be distributed to the Office of Hawaiian Affairs (OHA);
- (2) Specified state departments and agencies that collect revenue from lands within the public land trust determine and transfer five percent of that revenue collected from the lands within thirty days of the close of each fiscal quarter; and
- (3) The Governor may fix the amounts to be transferred by those specified departments and agencies.

The Sovereign Councils of the Hawaiian Homelands Assembly testified in support of this measure. DHHL and the Department of Transportation supported the intent of this bill. The Department of Land and Natural Resources (DLNR), the Department of the Attorney General, and the Department of Budget and Finance (B&F) offered comments.

Your Committee notes that DLNR and B&F have expressed some concerns regarding the implementation of this program. However, your Committee finds the purpose of this measure warrants further discussion.

Your Committee has amended this bill by:

- (1) Placing its provisions for the determination, receipt, and transfer of revenues derived from public land trust lands into Act 178, Session Laws of Hawaii 2006, and thereby using the existing receipt and transfer mechanism in the Act that is used to transfer such revenues to the OHA;

- (2) Providing a discussion of section 5(f) of the Admission Act that provides the basis for using public land trust revenues for the development of farm and home ownership; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 222, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee.

**SCRep. 221 Hawaiian Affairs on H.B. No. 396**

The purpose of this bill is to ensure that members of certain state councils, boards, and commissions are fully informed of their responsibilities to preserve and protect native Hawaiian and Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust by requiring the Office of Hawaiian Affairs (OHA) to establish, design, and facilitate a mandatory training course for new members of certain council, board, and commission members twice annually within six months of the new member's official appointment.

OHA, Kanaka Council Moku o Keawe, Association of Hawaiian Civic Clubs Oahu Council, and Koolaupoko Hawaiian Civic Club testified in support of this measure. A concerned individual testified in opposition of this bill. The Department of Land and Natural Resources and a concerned individual 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 is in accord with the intent and purpose of H.B. No. 396 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 222 Hawaiian Affairs on H.B. No. 1225**

The purpose of this bill is to afford native Hawaiians a unique and exclusive source of revenue by:

- (1) Authorizing bingo to be conducted by one authorized licensee at one site on Hawaiian Home lands; and
- (2) Establishing the Hawaii Bingo Commission within the Department of Commerce and Consumer Affairs to regulate bingo within the State, including licensing, taxation, criminal sanctions, and proper conduct and methods for bingo.

Kanaka Council Moku o Keawe, Sovereign Councils of the Hawaiian Homelands Assembly, and one individual testified in support of this bill. Department of Hawaiian Home Lands, and another individual supported the intent of this measure. The Honolulu Police Department, Christian Voice of Hawaii, League of Women Voters, United Methodist Church, Ahahui Ka'iulani, and a concerned individual opposed this bill.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1225 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 223 Hawaiian Affairs on H.B. No. 1489**

The purpose of this bill is to alleviate the disproportionate number of native Hawaiians among Hawaii's homeless population by requiring the Department of Hawaiian Home Lands (DHHL) to:

- (1) Collaborate with the Office of Hawaiian Affairs and the Hawaii Public Housing Authority; and
- (2) Develop and implement a pilot program to establish a community where native Hawaiians who are homeless may live in tents and subsist off the land using traditional Hawaiian methods of sustainability.

Kanaka Council Moku o Keawe and a concerned citizen testified in support of the measure. The Sovereign Councils of the Hawaiian Homelands Assembly and a concerned individual testified in opposition to the bill. DHHL and a concerned individual offered comments on the measure.

Your Committee has amended this measure 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1489, H.D. 1, and be referred to the Committee on Housing.

Signed by all members of the Committee.

**SCRep. 224 Hawaiian Affairs on H.B. No. 1627**

The purpose of this bill is to facilitate Hawaiian self-determination by establishing procedures for state recognition of a "first nation" government.

A concerned individual testified in support of this bill. The Department of Hawaiian Home Lands, Aha Kiole Advisory Committee, Waimanalo Hawaiian Homes Association, Maunaloa Hawaiian Civic Club, and several concerned individuals supported the intent of this measure. The Kingdom of Hawaii, The Committee of Hawaiian Nationals, The Koani Foundation, and numerous concerned individuals opposed this bill. The Office of Hawaiian Affairs and concerned individuals submitted comments.

Your Committee notes that the State has long acknowledged the right of the Hawaiian people to self-determination. Act 301, Session Laws of Hawaii (SLH) 1991, established the first Sovereignty Advisory Council. Act 200, SLH 1994, established the Hawaiian Sovereignty Elections Council to hold a plebiscite to determine the will of the Hawaiian people in restoring a nation of their own choosing. Furthermore, Public Law 103-150, commonly known as the Apology Resolution, acknowledged the role of the United States in the overthrow of the Kingdom of Hawaii.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2093, 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Yamane and Pine.

**SCRep. 225 Public Safety & Military Affairs on H.B. No. 461**

The purpose of this bill is to ensure the ability of members of the military and others eligible voters who are overseas to participate in all elections for federal, state, and local offices by enacting the Uniform Military and Overseas Voters Act.

The Department of Defense, The Chamber of Commerce of Hawaii, the Oahu Veterans Council, the Hawaii Chapter of the Military Officers Association of America, and the Commission to Promote Uniform Legislation supported this measure. The Office of the City Clerk of the City and County of Honolulu and the Maui Office of the County Clerk did not support this bill, pointing out various inconsistencies. The Office of Elections provided comments.

Your Committee notes that there may be some inconsistencies between the provisions of this bill and the state's election laws and has therefore amended this measure by changing its effective date to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 461, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 226 Public Safety & Military Affairs on H.B. No. 1000**

The purpose of this bill is to update and make more effective the Enhanced 911 services for mobile phone law by, among other things:

- (1) Establishing a single entity to administer enhanced 911 services for the State; and
- (2) Expanding the membership and responsibilities and changing the name of the Wireless Enhanced 911 Board to the Enhanced 911 Board.

The Wireless Enhanced 911 Board, Honolulu Police Department, County of Hawaii Police Department, and the County of Maui Police Department supported this measure. The Department of Accounting and General Services and Hawaiian Telcom supported this bill with amendments. General Motors, LLC opposed this measure.

Your Committee has amended this bill by:

- (1) Excepted from the enhanced 911 surcharge, connections of local exchange carriers providing landline enhanced 911 service that are under the jurisdiction of the Public Utility Commission;
- (2) Deleting the definition of "telematics" and its use throughout the entire bill;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and

- (4) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1000, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 227 Health on H.B. No. 1443**

The purpose of this bill is to require health insurers to provide coverage with minimal or no co-payments for certain smoking cessation methods, including:

- (1) Telephone and individual counseling and intervention;
- (2) Prescription coverage for nicotine replacement products and tobacco cessation medications; and
- (3) Counseling and medication coverage for smoking cessation attempts.

The American Cancer Society in Hawaii, American Heart Association, Hawaii COPD Coalition, Papa Ola Lokahi, Hawaii Primary Care Association, and a concerned individual testified in support of this bill. Kaiser Permanente supported the intent of this measure. The Coalition for a Tobacco Free Hawaii and several concerned individuals supported this bill with amendments. The Hawaii Association of Health Plans opposed this measure. The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

- (1) Removing the requirement that information be provided to encourage insureds to consult with their physician about smoking and tobacco cessation options; and
- (2) Adding a requirement that health care coverage must conform to the federal Affordable Care Act.

As affirmed by the 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. 1443, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1443, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 228 Labor & Public Employment on H.B. No. 466**

The purpose of this bill is to require independent medical examinations and permanent impairment rating examinations for workers' compensation claims to be performed by physicians mutually agreed upon by employers and employees or appointed by the Director of the Department of Labor and Industrial Relations.

The ILWU Local 142; Hawaii Injured Worker's Alliance; International Association of Rehabilitation Professionals-Hawaii Chapter; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the Hawaii State AFL-CIO; the Hawaii Chapter-American Physical Therapy Association; and numerous concerned individuals supported this bill. The Department of Labor and Industrial Relations (DLIR) supported the intent of this measure. The City and County of Honolulu; Hawaiian Electric Co., Inc.; Maui Electric Company, LTD; Hawaii Electric Light Company, Inc.; the Property Casualty Insurers Association of America; Hawaii Insurers Council; The Chamber of Commerce of Hawaii; and the General Contractors Association of Hawaii opposed this measure. Several concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Amending the definition of "medical stability" to make it consistent with the current definition in the Hawaii Administrative Rules;
- (2) Expanding the situations in which the right to claim compensation can be suspended based on an employee's refusal to submit to examination, by including any refusal, not just unreasonable refusals;
- (3) Providing \$194,000 funding for three workers' compensation hearing officer positions and two office assistant positions in DLIR; and
- (4) Changing the effective date of the appropriation section to July 1, 2011, to reflect the fiscal year appropriation.

Your Committee finds that this measure will greatly improve the fairness of the workers compensation system and provide better quality care for those workers hurt on the job.

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. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 466, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 229 Labor & Public Employment on H.B. No. 385**

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

- (1) Authorizing nonsupervisory 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 Auditor, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provided comments.

Your Committee finds that allowing nonsupervisory legislative employees to unionize will provide these employees a larger role in the decisions that affect working conditions. This bill as received by your Committee does not specifically address collective bargaining for employees of statutorily established legislative agencies, i.e., the Ethics Commission, Legislative Reference Bureau, Office of the Auditor, and Office of the Ombudsman. Moreover, concerns were raised as to whether the terms nonsupervisory and supervisory are to apply structurally or functionally. There are also practical considerations with establishing a single bargaining unit for all types of nonsupervisory 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.

Your Committee has amended this bill by:

- (1) Defining nonsupervisory employees of the legislative branch of the State;
- (2) Adding a provision that retains the rights of the employer of employees under the new collective bargaining unit (14) (nonsupervisory legislative employees), to hire and terminate at will;
- (3) Clarifying which employees of the Ethics Commission, Legislative Reference Bureau, Office of the Auditor, and Office of the Ombudsman are eligible for collective bargaining; 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. 385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 385, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.  
(Representatives Luke, Saiki, Souki and Fontaine voted no.)

**SCRep. 230 Economic Revitalization & Business on H.B. No. 1651**

The purpose of this bill is to stimulate Hawaii's economy and increase revenue for the State by establishing a regulatory framework for the conduct of licensed shipboard gaming in state waters.

Radcliffe & Associates, LLC, supported this bill. The Honolulu Police Department, Hawaii County League of Women Voters, Christian Voice of Hawaii, Hawaii Catholic Conference, Hawaii Family Forum, and several concerned individuals opposed this measure. The Department of Budget and Finance, Office of Information Practices, and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Changing the definition of "gaming ship" by increasing the minimum required capacity of the ship from 100 persons to 1,000 persons and requiring that the ship be able to provide, at a minimum, one overnight accommodation per person;
- (2) Reducing the limit on the total number of ships operating under license granted pursuant to the provisions of this bill from four to two;
- (3) Deleting the provision prohibiting gaming excursions from exceeding five hours for a round trip;
- (4) Deleting the provision specifying that shipboard gaming shall be permitted in a county if it is approved in the county by referendum;
- (5) Deleting the requirement that the Governor issue a proclamation that shipboard gaming has been approved by a county or counties in a referendum before the new shipboard gaming law established by the measure will take effect;
- (6) Inserting an appropriation for the Department of Business, Economic Development, and Tourism to carry out the purposes of this bill; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1651, H.D. 1, and be referred to the Committee on Judiciary.



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

**SCRep. 231 Education on S.B. No. 8**

The purpose of this bill is to implement the constitutional amendment to Article X of the Hawaii State Constitution by providing the framework and appointment process for an appointed Board of Education (Board).

The Special Education Advisory Council, Honolulu District Student Council, all 17 Community Children's Councils of Hawaii, Student Member of the Board, and many concerned individuals supported this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Hawaii Government Employees Association supported the intent of this bill. Several concerned individuals opposed this measure. The Governor, Outrigger Hotels, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Reducing the number of voting Board members from 11 to nine, including:
  - (A) Increasing to three the number of members from the City and County of Honolulu; and
  - (B) Reducing to three the number of at-large members;
- (2) Changing provisions regarding the public high school student member by:
  - (A) Removing voting privileges from the public high school student member;
  - (B) Requiring that the public high school student member continue to be selected by the Hawaii State Student Council; and
  - (C) Removing provisions that require the public high school student member to have an overall 2.0 GPA and be passing classes for graduation;
- (3) Requiring the Governor to select the chairperson of the Board;
- (4) Requiring that the chairperson be an at-large member of the Board;
- (5) Removing provisions requiring Board members to be registered voters;
- (6) Changing from four to three years the length of terms for Board members;
- (7) Amending the staggered terms of the initial Board members to conform to the lower number of members on the Board;
- (8) Amending the quorum requirements to conform to the lower number of members on the Board;
- (9) Requiring the Governor to produce a document articulating the Administration's goals and priorities in the formation of a highly-functioning, well-balanced Board;
- (10) Including minimum and recommended qualifications for each Board nominee;
- (11) Changing from seven to five the number of members required to be appointed prior to the discharge of the current, elected Board; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 8, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 8, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 232 Consumer Protection & Commerce on H.B. No. 1141**

The purpose of this bill is to provide limits on the disclosure of complaints under certain circumstances and allows departments and agencies to adopt rules about complaint disclosures.

The Hawaii Dental Association, The Hawaii Lumber Products Association, the Building Industry Association of Hawaii, the Hawaii Association of REALTORS, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Protection and its Regulated Industries Complaints Office, the Office of Information Practices, Kokua Council, and Common Cause Hawaii opposed this measure. The Judiciary provided comments.

This measure addresses conflicting interests in providing public access to complaints filed with state or county agencies. The Legislature supports public access to as many government records as possible while at the same time remains cognizant of the need to protect the reputations and abilities of businesses who might have unfounded complaints lodged against them.

Your Committee amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1141, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 233 Consumer Protection & Commerce on H.B. No. 1272**

The purpose of this bill is to assist the State in addressing its fiscal needs by directing the Director of the Department of Commerce and Consumer Affairs (DCCA) to reduce monies paid to support public, educational, and governmental access facilities by an unspecified percent for fiscal year 2011 and transfer the retained monies to the general fund.

The League of Women Voters of Hawaii, Olelo Community Media, Hawaii Educational Networking Consortium, and several concerned individuals testified in opposition to this bill. DCCA and the University of Hawaii System 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 H.B. No. 1272 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, Morita and Ching.  
(Representative Thielen voted no.)

**SCRep. 234 Human Services on H.B. No. 724**

The purpose of this bill is to require the Department of Human Services (DHS) to amend its administrative rules to increase from \$529 per month to an unspecified amount the monthly foster care maintenance payment to licensed foster family boarding homes, child-care institutions, and facilities that provide contracted emergency shelter or group home services for DHS, the Office of Youth Services, or Family Court.

The Hawaii Youth Services Network testified in support of this bill. DHS opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 724, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 235 Human Services on H.B. No. 736**

The purpose of this bill is to amend the definition of "community care foster family home" to include the requirement that a community care foster family home be in operation for not less than one year prior to being certified for a third client.

The Department of Human Services, Adult Foster Homecare Association of Hawaii, and Filipino Chamber of Commerce 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 736, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 236 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 884**

The purpose of this bill is to allow family leave time to be used to care for a sibling.

The Department of Labor and Industrial Relations and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Chamber of Commerce of Hawaii and a concerned individual provided comments.

Your Committees recognize that Hawaii has a rich tradition in caring for family. In some situations, a person may only have a sibling who can provide care during illness. Hawaii's family leave law currently entitles an employee to use family leave to care for a child, spouse or reciprocal beneficiary, or a parent. Your Committees believe it is reasonable to expand the law to also allow family leave time to be used to care for a sibling.

Your Committees have amended this bill by defining "sibling" to mean a biological or adoptive brother or sister.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 884, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 884, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 237 Finance on H.B. No. 1077**

The purpose of this bill is to authorize the payment of interest on Title XII loans advanced under provisions of Section 1202(b) of the Social Security Act, as amended, from the Employment and Training Fund (E&T Fund) and to allow for an increase in employer assessments to the E&T Fund in increments of .01 percent for the 2011 calendar year. This bill also includes provisions for refunds to employers for assessments paid, if Title XII interest payments are waived by federal law.

The Department of Labor and Industrial Relations testified in support of this bill. The Chamber of Commerce of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing the provisions requiring refunds to employers for assessments paid if Title XII interest payments are waived by federal law;
- (2) Adding provisions that if Title XII interest payments are waived by federal law, interest payments collected by employers will be applied to E&T Fund assessments for 2012 and no further assessments will be collected in that year; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1077, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1077, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 238 Transportation on H.B. No. 158**

The purpose of this bill is to encourage Hawaii's motor vehicle operators to obtain and maintain motor vehicle insurance, as required under Hawaii law, by:

- (1) Prohibiting a driver of an uninsured motor vehicle involved in an accident from maintaining any action for damages against any other person for the driver's injuries or death arising out of the accident;
- (2) Allowing a passenger injured in an uninsured motor vehicle involved in an accident to sue only the operator of that vehicle; and
- (3) Repealing the statutory provision which imposes a \$1,000 fee in lieu of any fine which could have been levied as a criminal penalty for failing to obtain motor vehicle insurance.

The Property Casualty Insurers Association of America and GEICO testified in support of this bill. State Farm Insurance Companies testified in support of the intent of this measure. The Hawaii Association for Justice testified in opposition to this measure. The Insurance Commissioner provided comments.

Under current law, individuals who own a motor vehicle in Hawaii must insure that motor vehicle. Unfortunately, many individuals fail or refuse to abide by this legal requirement. This situation could lead to inequitable results in a motor vehicle accident in which a driver of an uninsured vehicle could recover damages from drivers of legally insured motor vehicles while drivers who are legally insured would not be able to do the same with respect to the uninsured driver. This measure attempts to correct this situation.

However, several concerns were raised regarding the reasonableness and possible unintended consequences of this measure. Your Committee notes that under these provisions, it appears that drivers or occupants of an uninsured motor vehicle who are injured by persons such as at fault drivers, criminally negligent drivers, and reckless drivers, would be prohibited from filing claims even if the individual did not know the vehicle was uninsured. While these concerns are noted, your Committee finds that this issue deserves further consideration and that these concerns are beyond the purview of your Committee on Transportation and asks that your Committee on Judiciary review this matter more closely.

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

Signed by all members of the Committee.  
(Representatives Luke, Saiki and Fontaine voted no.)

**SCRep. 239            Transportation on H.B. No. 623**

The purpose of this bill is to increase motor vehicle safety by:

- (1) Prohibiting the use of a hand-held wireless communication device for text messaging, electronic mail communication, or otherwise accessing the Internet while operating a motor vehicle upon a public street, road, or highway, with limited exceptions;
- (2) Stipulating that a violation of the prohibited uses of a hand-held wireless communication device be classified as a petty misdemeanor; and
- (3) Providing for increased penalty provisions, including misdemeanor, Class C felony, and Class B felony, for repeat violations and violations that cause serious or substantial bodily injury or death.

The Office of the Public Defender testified in opposition to this measure. General Motors, LLC, provided comments.

The use of a hand-held wireless communication device while operating a motor vehicle to text message, send or receive electronic mail messages, or access the Internet can be a distraction that may lead to a motor vehicle collision. Some studies have even found that the risk of a collision quadrupled when using a wireless communication device while driving quadrupled and that the risk was comparable to the risk of driving while intoxicated. Your Committee finds that collisions due to the use of a hand-held wireless communication device could be avoided and personal injury and property damage eliminated if regulations exist to restrict the use of such devices while operating a motor vehicle.

Your Committee notes that certain motor vehicles come equipped with wireless vehicle devices such as the On Star System which allow for voice-operated, hands-free communications with an operator for various types of communications. It is not the intent of your Committee to prohibit the use of these types of devices. Accordingly, your Committee has amended this bill by providing an exemption for the use of such voice operated or hands-free technology devices.

Technical, non-substantive 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. 623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 623, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 240            Transportation on H.B. No. 916**

The purpose of this bill is to assist with and improve the administration of the parking program for persons with disabilities by:

- (1) Creating an Accessible Parking Special Account (Special Account) within the Disability and Communication Access Board (DCAB) Special Fund;
- (2) Increasing the State Vehicle Registration Fee (Registration Fee) by \$1 and requiring the additional \$1 to be deposited into the Special Account; and
- (3) Requiring all costs associated with the statewide Parking Program for Persons with Disabilities (Parking Program) to be appropriated from the Special Account beginning July 1, 2012.

The Department of Transportation, DCAB, City and County of Honolulu, and several concerned individuals testified in support of this bill.

With the exception of a small percentage of temporary or replacement disabled parking placards issued for which the user pays a nominal fee of \$12, the Parking Program currently relies on general fund appropriations for all of its administrative and operational costs. Establishing this new, dedicated revenue stream through the imposition of an additional \$1 in the Registration Fee will ensure the continuation, quality, and integrity of the Parking Program while allowing general fund appropriations that would otherwise be used for the Parking Program to be used for other programs.

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

Signed by all members of the Committee.

**SCRep. 241            Transportation on H.B. No. 1493**

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

- (1) Requiring motor vehicles towing a trailer, semitrailer, or pole trailer, or any combination thereof, to use a towing safety apparatus;

- (2) Defining "towing safety apparatus" to mean a trailer receiver hitch connected to a ball mount or draw bar which is secured with a locking pin and chains or cables to keep the trailer, semitrailer, pole trailer, or any combination thereof safely connected to the motor vehicle if it becomes unhitched from the ball mount or draw bar while being towed; and
- (3) Establishing minimum and maximum fines for each separate violation.

The Department of Transportation testified in support of this bill. The Hawaii Transportation Association provided comments.

Currently, vehicles with a gross vehicular weight rating of less than 10,000 pounds do not have regulations governing towing a trailer. This measure ensures that an operator of a motor vehicle towing a trailer uses the proper safety apparatus when doing so thereby providing safer driving conditions for all roadway users.

However, your Committee was informed that commercial motor vehicles are already governed by strict towing regulations under federal law that are more stringent than the regulations contained in this measure. Accordingly, your Committee has amended this bill by providing an exemption for these motor carriers.

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. 1493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1493, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 242          Judiciary on H.B. No. 245**

The purpose of this bill is to increase fees paid to out-of-state witnesses, and witnesses from islands other than where the court is located, who are required to attend state court or grand jury. Specifically, this measure will raise the per diem rate for out-of-state witnesses from \$110 to \$145 and add an additional \$90 per 24-hour day if an inter-island witness is required to stay overnight.

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

Your Committee has amended this bill by changing its effective date to January 7, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 245, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 243          Judiciary on H.B. No. 1069**

The purpose of this bill is to protect the rights of Hawaii's residents by establishing maximum time frames for a mental health commitment or conditional release for pre-trial defendants. Specifically, this measure:

- (1) Limits the time of commitment or conditional release to a maximum of 60 days for individuals charged with petty misdemeanors not involving violence or attempted violence;
- (2) Limits the time of commitment or conditional release to a maximum of 120 days for individuals charged with misdemeanors not involving violence or attempted violence; and
- (3) Requires the dismissal of charges for defendants committed or placed on conditional release in accordance with (1) or (2) who are not found fit to proceed prior to the expiration of the commitment or conditional release, unless certain criteria are met.

The Department of Health, Office of the Public Defender, Hawaii Disability Rights Center, and Mental Health America of Hawaii testified in support of this bill. The Department of the Prosecuting Attorney provided comments.

Your Committee has amended this bill by changing its effective date to January 7, 2059, to encourage further discussion. Your Committee has also made technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1069, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 244          Energy & Environmental Protection on H.B. No. 563**

The purpose of this bill is to assist the State in addressing its projected revenue shortfall by:

- (1) Limiting the Ethanol Facility Tax Credit (Tax Credit) to facility taxpayers that claim the credit prior to May 1, 2011; and
- (2) Repealing the Tax Credit on May 1, 2011.

The Department of Taxation, Department of Business, Economic Development and Tourism, Hawaii BioEnergy, LLC, Pacific West Energy LLC, Pacific West Energy Kauai LLC, and Sunfuels Hawaii testified in opposition to this bill. The Tax Foundation of Hawaii provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation with a majority of our oil being imported despite the fact that Hawaii has some of the most diversified environmental conditions for renewable energy production. One incentive to stimulate the production of one of these forms of renewable energy was the enactment of the Tax Credit in both 2000 and 2004. It was envisioned that biofuel production in Hawaii would support agriculture, provide synergies with food and feed production, support the maintenance of agricultural infrastructure, reduce fossil fuel imports, improve Hawaii's energy security, and diversify the economy. Unfortunately, many challenges, including the recent turmoil in the financial sector, volatility of the energy markets, and the securing of suitable agricultural land for the production of ethanol have resulted in the Tax Credit being unclaimed.

While your Committee understands that repealing of the Tax Credit will increase the State's financial flexibility to address current issues with the overall financial plan of the State, repealing of the Tax Credit may affect growth of ethanol production in Hawaii and ultimately Hawaii's desire to develop and achieve greater clean energy policies. Your Committee finds that a balance that provides for the current fiscal needs of the State while maintaining the Tax Credit can be achieved by delaying the availability of the Tax Credit for a little more than two years, which is also the timeframe that current ethanol production companies have stated would be the earliest ethanol production facilities could be brought on-line. Accordingly, your Committee has amended this bill by delaying the ability of facility taxpayers to claim the Tax Credit until January 1, 2014.

Your Committee has also amended this measure by:

- (1) Changing its effective date from May 1, 2011, 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 563, H.D. 1, and be referred to the Committee on Finance.

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

#### **SCRep. 245 Energy & Environmental Protection on H.B. No. 566**

The purpose of this bill is to assist the State in addressing its projected revenue shortfall by placing an annual aggregate cap of \$7,000,000 on the Renewable Energy Technologies Income Tax Credit (Tax Credit).

The Department of Taxation; Energy Commissioner of the County of Maui; Beachside Solar Technologies; Kairos Energy Capital LLC; Meridian 158 LLC; Sierra Club-Hawaii Chapter; S&B Energy LLC; Levin & Hu, LLP; Scatec Solar North America, Inc.; Haleakala Solar Inc.; Inter-Island Solar Supply; Green Power Projects LLC; Hawaii Renewable Energy Alliance; Sunetric; Energy Industries LLC; Firs Wind; Forest City Sustainable Resources LLC; Rising Sun Solar Electric LLC; 21<sup>st</sup> Century Technologies Hawaii; Axio Power; Hawaii PV Coalition; Grand Solar, Inc.; Hoku Corporation; Northern Power Systems; Island Pacific Energy LLC; RevoluSun LLC; Hawaii Solar Energy Association; Blue Planet Foundation; The Solar Alliance; SunRun Inc.; Sunpower Systems Corporation; Islandwide Solar LLC; SolarCity; Sopogy, Inc.; and several concerned individuals testified in opposition to this bill. The Department of Business, Economic Development and Tourism (DBEDT) and Tax Foundation of Hawaii provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation with a majority of our oil being imported. At the same time, Hawaii has among some of the most abundant renewable energy resources in the world, in the form of geothermal, wind, biomass, and ocean energy assets, but particularly solar. Encouraging the use of renewable energy technology systems in Hawaii, as was done in 2003 when an income tax credit was established to offset the cost of installing and placing renewable energy technology systems into service, will reduce fossil fuel imports, improve Hawaii's energy security, diversify the economy, and protect Hawaii's natural environment.

While your Committee understands that placing an aggregate cap on the Tax Credit will assist the State in addressing its financial needs, the State must remain committed to the use of renewable energy and must send a clear signal to the renewable energy industry about this commitment. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Requires a renewable energy technology system to be placed in service prior to December 31, 2016, to be eligible for the Tax Credit;
- (2) Delays the beginning of the payout for refundable tax credits claimed in 2012 to July 1, 2013; and
- (3) Requires DBEDT to complete an assessment on the effectiveness and ongoing need for the renewable energy technologies tax credit after 2016 by October 1, 2014.

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. 566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 566, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 246      Tourism/Economic Revitalization & Business on H.B. No. 647**

The purpose of this bill is to require a minimum distance of 100 feet between liquor establishments in Waikiki holding a class 11 cabaret license. Further, this bill requires that in cases of applications for renewal of cabaret licenses where premises are located within 100 feet of each other, the cabaret license that has been in the longest continuous existence will have preference for renewal.

Several concerned individuals testified in support of this bill. The City and County of Honolulu Liquor Commission provided comments.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 647, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 647, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 247      Human Services on H.B. No. 721**

The purpose of this bill is to promote the well-being of foster youth by:

- (1) Establishing the Hawaii Foster Youth Mentorship Program within the Department of Human Services (DHS) to provide youths from ages seven to 18 years old stable and consistent interactions with adult role models; and
- (2) Appropriating unspecified funds for DHS to establish and administer the program.

The Office of Hawaiian Affairs (OHA) and Family Program Hawaii commented on this bill. DHS opposed this measure.

Your Committee amended this bill by:

- (1) Authorizing DHS to contract with OHA or appropriate private or nonprofit organizations to provide services for the Hawaii Foster Youth Mentorship Program;
- (2) Changing its effective date to July 1, 2050, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 721, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 248      Water, Land, & Ocean Resources on H.B. No. 1405**

The purpose of this bill is to promote smart growth and sustainability in Hawaii by requiring the Office of Planning to develop a plan to establish a statewide system for greenways and trails.

The Outdoor Circle, Sierra Club–Hawaii Chapter, and several concerned individuals testified in support of this bill. The Office of Planning and Windward Ahupuaa Alliance 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. 1405 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 249      Water, Land, & Ocean Resources on H.B. No. 1431**

The purpose of this bill is to authorize the counties to enact ordinances or adopt rules to enforce covenants that run with the land that impose standards regarding use, maintenance, landscaping, and setbacks.

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. 1431 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 250 Water, Land, & Ocean Resources on H.B. No. 453**

The purpose of this bill is to clarify that where public access is required as a condition of a subdivision:

- (1) If the county accepts the dedication, the county may require the subdivider to establish a stewardship fund to be controlled by the county for maintenance of the right of way; or
- (2) The county may require the subdivider or the planned community association to improve and maintain the right-of-way.

The Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 453 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 251 Judiciary on H.B. No. 549**

The purpose of this bill is to require notice for state board meetings, including emergency agendas, be posted on the central state website, and eliminate the requirement to file the notice in the Office of the Lieutenant Governor.

The Office of Information Practices testified in support of this measure. The League of Women Voters of Hawaii supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Requiring counties to post electronic notice of any county board meeting on the appropriate county website;
- (2) Changing its effective date to January 7, 2050, to promote further discussion; and
- (3) Making technical, non-substantive 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. 549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 549, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 252 Judiciary on H.B. No. 257**

The purpose of this bill is to increase the transparency of the electoral system by expanding reporting requirements and modifying reporting deadlines by, among other things:

- (1) Defining "address", "automated phone call", and "matching payment period" to provide clarity to the State's Campaign Finance Law;
- (2) Providing that the information required in an advertisement, such as identifying the person paying for or placing the advertisement and the approval and authority of the candidate, be stated at the beginning of an advertisement via automated phone call;
- (3) Imposing a \$100 fine for the late filing or failure to file an organizational report, electioneering communication statement of information, notice of intent to hold a fundraiser, and public funds report;
- (4) Requiring that reports of candidate or noncandidate committees that are filed electronically be certified as true and correct by the candidate or specified officers of the committee, or both, depending on the type of committee;
- (5) Revising existing preliminary report filing dates and establishing new supplemental report filing dates for candidate committees;
- (6) Requiring noncandidate committees to include in their reports:
  - (a) Contribution information, including the amount, date, and the name and address of the candidate or noncandidate committee making the contribution; and
  - (b) For independent expenditures, the name of the candidate who is supported or opposed by the expenditure;
- (7) Limiting qualifying contributions to no more than \$100 during each matching payment period for purposes of receiving public campaign funds; and
- (8) Repealing the income tax deduction for contributions to candidates qualifying for voluntary campaign expenditure limits.



The Campaign Spending Commission testified in support of this measure. The Democratic Party of Hawaii and Common Cause Hawaii supported the intent of this bill. Americans for Democratic Action commented on this measure.

Your Committee has amended this measure by:

- (1) Amending the definition of "advertisement" to explicitly include automated phone calls, provided that the automated phone call meets the same two criteria as other advertisements defined in section 11-302.
- (2) Substituting the \$100 maximum price with an unspecified amount for the purchase of tickets for events held by another candidate or noncandidate committee when using campaign funds;
- (3) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive revisions for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 257, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Luke, McKelvey, Morita and Souki.

**SCRep. 253            Judiciary on H.B. No. 1070**

The purpose of this bill is to clarify the terms of the conditional release of a defendant charged with a petty misdemeanor, misdemeanor, or violation and who was acquitted on the ground of physical or mental disease, disorder, or defect excluding responsibility by:

- (1) Limiting the period of conditional release to no longer than one year; and
- (2) Requiring that multiple conditional release orders run concurrently.

The Department of Health, Office of the Public Defender, and Hawaii Disability Rights Center submitted testimony 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:

- (1) Deleting the provision requiring that multiple conditional releases run concurrently;
- (2) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1070, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 254            Housing on H.B. No. 1303**

The purpose of this bill is to require the Hawaii Public Housing Authority (HPHA) to:

- (1) Assess a community facilities maintenance fee for each community facilities' unit;
- (2) Establish a schedule that sets forth a minimum rent for state public housing units; and
- (3) Seek reimbursement from a tenant for the full cost incurred in repairing damages to the tenant's unit.

The Tenant Association President of Mayor Wright Homes testified in support of this bill. HPHA and the American Civil Liberties Union opposed this bill.

Upon consideration, your Committee has amended this bill by:

- (1) Deleting provisions that require HPHA to seek reimbursement from a tenant for the full cost incurred in repairing damages to the tenant's unit; and
- (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. 1303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1303, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 255            Housing on H.B. No. 754**

The purpose of this bill is to support the management of public housing by:

- (1) Requiring the Hawaii Public Housing Authority (HPHA) to establish a schedule of minimum rents for state low-income housing units;
- (2) Requiring HPHA to seek reimbursement from tenants for any and all costs incurred by HPHA to repair damages to tenants' units; and
- (3) Prohibiting HPHA from establishing preferences for the selection of tenants.

The Tenant Association President of Mayor Wrights Homes testified in strong support of this bill. HPHA and the American Civil Liberties Union testified in opposition to this bill. Catholic Charities Hawai'i submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions that would enable HPHA to seek reimbursement costs from tenants for repair damages to the tenants' units;
- (2) Deleting the provision that would prohibit HPHA from establishing preferences for the selection of tenants; and
- (3) 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 256            Housing on H.B. No. 898**

The purpose of this bill is to extend to December 31, 2011, the lapse date of funds appropriated from the Emergency and Budget Reserve Fund for the Housing First Pilot Program.

Your Committee finds that Section 14 of Act 191, Session Laws of Hawaii (SLH) 2010, appropriates moneys from the Emergency and Budget Reserve Fund to fund the development and implementation of a Housing First Pilot Program for chronically homeless individuals. The appropriation of these funds under Act 191, SLH 2010, lapses at the end of the 2010-2011 fiscal year, which would curtail the Department of Human Services' and Hawaii Public Housing Authority's efforts to help chronically homeless individuals.

The Drug Policy Forum of Hawai'i, Hawaii Catholic Conference, and Hawaii Family Forum testified in support of this measure. Catholic Charities Hawai'i and Partners in Care testified in strong support of this measure, with suggested amendments.

Your Committee has amended this bill by:

- (1) Extending for one year, to December 31, 2012, the lapse date of funds appropriated from the Emergency and Budget Reserve Fund for the Housing First Pilot Program; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 898, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 257            Housing on H.B. No. 46**

The purpose of this bill is to prohibit smoking in and around certain specified areas in public housing projects and state low-income housing projects; provided that the Hawaii Public Housing Authority (HPHA) is required to designate areas where smoking is permitted, with certain distance requirements.

A concerned individual testified in strong support of this measure. The Department of Health and Coalition for a Tobacco-Free Hawai'i supported the intent of this measure. The Hawaii Public Housing Authority and Hawaii Smokers Alliance opposed this bill. The American Cancer Society provided comments.

Upon consideration, your Committee has amended this bill by:

- (1) Prohibiting smoking in public housing projects and state-low income housing projects only in enclosed or partially enclosed common areas of these projects; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 46, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 46, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 258            Tourism/Economic Revitalization & Business on H.B. No. 1285**

The purpose of this bill is to authorize the allocation of a portion of transient accommodations tax (TAT) revenues, remaining in the general fund after allocations are made to certain special funds and the counties, to the Department of Budget, Economic Development, and Tourism (DBEDT) for its operating budget.

The amount of TAT revenues earmarked for DBEDT under this measure would be capped at \$12,000,000.

DBEDT supported the intent of this bill. The Department of Taxation opposed this measure. The Department of Budget and Finance and Hawaii Tourism Authority provided comments.

Your Committees have amended this bill by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1285, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1285, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 259            Labor & Public Employment on H.B. No. 167**

The purpose of this bill is to change the manner in which health care and other benefits are provided to public employees by decentralizing the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to the extent that each of the 13 bargaining units will have a separate bargaining unit health benefits trust fund (Bargaining Unit Trust Fund), leaving EUTF for employees who are excluded from collective bargaining and retirees. The new health care provision system includes, among other things:

- (1) A name change of EUTF to the Hawaii Public Employee Health Benefits Trust Fund (Public Employee Trust Fund);
- (2) A seven-member board of trustees for the Public Employee Trust Fund and for each of the 13 Bargaining Unit Trust Funds;
- (3) Authorization to the Public Employee Trust Fund and each of the 13 Bargaining Unit Trust Funds to employ or retain an attorney; and
- (4) A revised collective bargaining dispute resolution process that, among other things, deletes the participation of the Legislature with respect to the amount of health benefit contributions by the State and counties and allows bargaining units to strike on the issue of health benefit contributions.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the intent of this bill. The Department of Budget and Finance and Department of Human Resources of the City and County of Honolulu opposed this bill. The State Procurement Office and University of Hawaii Professional Assembly offered 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.

Your Committee notes that the new Bargaining Unit Trust Fund system could result in higher rates for particular bargaining units and calls into question its fairness with respect to the different benefits provided by each Bargaining Unit Trust Fund for its members. With the administrative and fiscal challenges of EUTF, your Committee is committed to exploring any reasonable means that may develop into a cost-effective and efficient health care provision system that is both sustainable and serves the health needs of public employees. Your Committee finds that the concept of separate Bargaining Unit Trust Funds warrants 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. 167 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 260            Labor & Public Employment on H.B. No. 779**

The purpose of this bill is to mitigate the State's carrying cost for contributions made to the Employees' Retirement System (ERS) by requiring:

- (1) State contributions to the ERS to be paid from the general fund on a quarterly basis, rather than monthly;

- (2) Payments to be made before the end of the fiscal quarter;
- (3) Departments and agencies whose employees are paid from state non-general funds to reimburse the state general fund for advance contributions; and
- (4) Departments and agencies to pay monthly interest at 0.25 percent on the reimbursements.

The Legislative Committee of the ERS and the Department of Budget and Finance opposed this bill.

The State is facing a budget deficit of \$71 million for fiscal year 2011, and a \$771 million shortfall over the next two-year budget cycle. The requirements listed in this bill would help alleviate the deficit with quarterly employer contribution payments to ERS, as opposed to the current payments on a monthly basis. It would also allow for other reimbursements to the state general fund.

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

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

**SCRep. 261 Labor & Public Employment on H.B. No. 1268**

The purpose of this bill is to require the Hawaii Employer-Union Health Benefits Trust Fund board, when contracting for health benefits plans, to contract only with carriers that provide or administer prescription drug coverage together with medical benefits.

The Department of Budget and Finance opposed this bill. The Hawaii Medical Service Association supported the intent of this bill.

Studies indicate that integration of medical benefits has resulted in lower costs and improved quality of care for beneficiaries. The integration may also result in efficiencies that improve the coordination of patient care. For these reasons, 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. 1268 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Luke.

**SCRep. 262 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1076**

The purpose of this bill is to appropriate funds received by the State from the 2009 special administrative transfer for the exclusive payment of the administrative expenses arising from Hawaii's Employment Security Law, Chapter 383, Hawaii Revised Statutes (HRS).

The Department of Labor and Industrial Relations testified in support of this bill.

Under section 383-123(b), HRS, the special administrative transfer credited to the State's account pursuant to Section 903 of the Social Security Act, as amended, would be available for the payment of benefits and administrative costs. However, the federal funds were transferred for the restricted purpose of paying administrative expenses. Therefore, your Committees find this bill necessary to limit the use of the 2009 special administrative transfer to administrative costs to avoid any violation of federal law.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1076 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 263 Education on H.B. No. 4**

The purpose of this bill is to help ensure educational stability and transferability for the children of military personnel who transfer to Hawaii by making permanent the Interstate Compact on Educational Opportunity for Military Children (Compact). This bill also amends the Compact by, among other things, clarifying military representation on the State Council on Educational Opportunity for Military Children within the Board of Education.

The State Department of Defense; The Chamber of Commerce of Hawaii; Military Officers Association of America, Hawaii Chapter; The Oahu Veterans Council, and several concerned individuals supported this bill. The General Counsel for the Interstate Commission on Educational Opportunity for Military Children provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions detailing how a receiving school must accommodate students if space is limited or not available;
- (2) Removing time limitations on the continuation of a student's previous academic program;

- (3) Authorizing a receiving school to allow a student to attend similar educational courses within the school district if those educational courses are not offered at the receiving school; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 4, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Mizuno and Nakashima.

**SCRep. 264            Transportation on H.B. No. 18**

The purpose of this bill is to enhance the health and safety of young people by prohibiting those under the age of 18 from operating, riding, or being propelled on an ATV.

The Maui Police Department and a concerned individual testified in support of this bill. A concerned individual supported the intent of this measure. The Specialty Vehicle Institute of America opposed this bill.

ATVs have been and continue to be used across Hawaii. These vehicles, like any other motorized vehicle, have the potential to cause injury. This risk is even more pronounced when riders are under the age of 18.

While your Committee understands that ATVs are relatively safe and that a majority of those riding ATVs are safety conscious and wear all the proper safety gear, the potential risk of injury to Hawaii's youth is real. Therefore, it is important that steps be taken to prevent the exorbitant amount of health care costs associated with ATV-related injuries and the immeasurable toll and grief experienced by family members and loved ones of individuals who suffer these injuries. For this reason, this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 265            Transportation on H.B. No. 30**

The purpose of this bill is to promote public safety by:

- (1) Prohibiting the wilful or negligent discarding of burning material from a motor vehicle; and
- (2) Imposing penalties for a violation.

No testimony was received on this bill.

Your Committee notes that while no testimony was received on this measure, the wilful or negligent discarding of burning material from a motor vehicle can pose a danger to the public and this matter deserves 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. 30 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 266            Transportation on H.B. No. 392**

The purpose of this bill is to prohibit persons who contract for transportation services with a regulated motor carrier from requiring the motor carrier to indemnify the person and the person's agents, employees, servants, or independent contractors from claims and liabilities for their negligence, intentional acts, or intentional omissions.

The Hawaii Transportation Association (HTA) and Elite Limousine Service, Inc., testified in support of this bill.

According to HTA, there currently exists a situation in the commercial transportation industry where motor carriers are often required to sign contracts or agreements indemnifying the motor carriers' customers, which are generally facilities where cargo is loaded or unloaded or passengers are picked-up or dropped-off, from claims or liability regardless of fault. In essence, the motor carrier becomes an insurer for the customer because liability has been shifted from the customer to the motor carrier through a contract. This situation appears to be inequitable and this measure attempts to correct this matter.

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

Signed by all members of the Committee.

**SCRep. 267      Transportation on H.B. No. 393**

The purpose of this bill is to enhance the safety of Hawaii's roadways by:

- (1) Amending the driver's license revocation provision to:
  - (A) Require a lifetime revocation for manslaughter involving the operation of a vehicle;
  - (B) Five to ten years for negligent homicide in the first degree; and
  - (C) Two to five years for negligent homicide in the second degree;
 and
- (2) Allowing up to two years of imprisonment when a convicted defendant is sentenced to probation for manslaughter.

The Department of the Prosecuting Attorney of the County of Maui (Maui Prosecutor) and Maui Police Department testified in support of this bill.

Over the past several years, Hawaii has had a high incidence of traffic fatalities, including a number of pedestrian fatalities. Sadly, this trend appears to be continuing. One method of addressing this issue has been to require the courts to revoke the license of a driver upon the conviction of the driver of manslaughter resulting from the operation of a motor vehicle. However, the law is presently unclear as to the duration of this revocation. According to the Maui Prosecutor, there have been a number of instances where defendants have requested reinstatement of their license to operate a motor vehicle after only one year of revocation. This measure provides unambiguous guidance to the courts by establishing sentencing guidelines for manslaughter and negligent homicide as a result of operating a motor vehicle.

Your Committee notes, however, that discussions should be continued on this measure to determine the adequacy and reasonableness of the sentencing provisions in this measure. Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 393, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 268      Transportation on H.B. No. 775**

The purpose of this bill is to assist the State in addressing its budgetary needs by transferring all monies contained in the Photo Enforcement Revolving Fund (Revolving Fund) to the General Fund.

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

The prevalence of drivers violating Hawaii's speeding laws has resulted in numerous attempts to curb this activity that endangers the lives of motorists and pedestrians and compounds the already hazardous conditions on Hawaii's roads and highways. One of these programs was known as the Traffic Enforcement Demonstration Project (Project), which was originally authorized in 1998 and began operations in 2001, which used cameras to take photos of vehicles violating Hawaii's speeding laws. A Revolving Fund was also created into which monies would be deposited for operational and other expenses of the Project.

However, the Project caused numerous disruptions to drivers and pedestrians in the State and was repealed in 2002, with a directive that all monies left in the Revolving Fund be transferred to the General Fund. However, records appear to indicate that a balance of \$3,480,000 remains in the Revolving Fund. Your Committee finds that given the State's current fiscal situation, restating the directive that these unused funds be transferred to the General Fund is prudent.

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

Signed by all members of the Committee.

**SCRep. 269      Transportation on H.B. No. 1516**

The purpose of this bill is to improve the transportation planning process by:

- (1) Requiring the Department of Transportation (DOT) to develop and implement a documented public involvement process when carrying out the statewide transportation plan;
- (2) Stipulating the minimum requirements to be included in the public involvement process;
- (3) Allowing DOT to use discretion in adopting any proposed changes to the statewide transportation plan that were a result of the public involvement process and requiring the DOT to make publicly available the reasoning for not adopting a proposed change; and

- (4) Requiring the Director of DOT to adopt rules to develop and implement the public involvement process.

The Hawaii Farm Bureau Federation testified in support of this bill. DOT provided comments.

Hawaii's 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. 1516 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 270            Transportation on H.B. No. 1531**

The purpose of this bill is to improve and modernize Hawaii's land transportation system by:

- (1) Increasing the state liquid fuel tax for all islands with a total resident population of 20,000 or more;
- (2) Increasing the state vehicle registration fee on vehicles registered on all islands with a total resident population of 20,000 or more;
- (3) Increasing the vehicle weight tax and flat rate fees on vehicles registered on all islands with a total resident population of 20,000 or more;
- (4) Permanently increasing the rental motor vehicle surcharge tax from \$2-a-day to \$3-a-day;
- (5) Authorizing the Department of Transportation (DOT) to expend funds for various projects and programs dealing with land transportation improvement projects and programs;
- (6) Requiring DOT to develop one or more pilot programs to test alternatives to the current state and county motor vehicle fuel tax systems;
- (7) Allowing the Department of Taxation (DOTAX) to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT;
- (8) Allowing DOT to terminate any pilot program established at any time and requiring DOT to notify DOTAX if a pilot program is terminated;
- (9) Appropriating funds from highway revenue bonds and federal funds for the Vehicle Miles Traveled Pilot Program; and
- (10) Requiring DOT to submit various reports to the Legislature on the status of the Land Transportation Modernization Program as well as a Vehicle Miles Traveled Pilot Program.

The Pacific Resource Partnership, The Chamber of Commerce of Hawaii, the Hawaii Laborers-Employers Education Trust, and the General Contractors Association of Hawaii testified in support of this bill. The Hawaii Transportation Association testified in opposition to this measure. DOTAX and the Tax Foundation of Hawaii provided comments.

Hawaii has an aging land transportation system that is in desperate need of improvement. In addition to traffic congestion concerns which result in direct quality of life and economic impacts on the people of Hawaii, safety concerns abound with deteriorating roadways and bridges. Although DOT has been diligent in its attempts to deal with these infrastructure issues, dramatic increases in construction and material costs have required DOT to make difficult choices and fund the most critically needed projects and programs. This results in basic preservation and preventative maintenance projects being deferred, adding to the long-term costs of our land transportation infrastructure. According to DOT, it was estimated in 2009 that funding levels at that time would take over 30 years to address the over \$7,000,000,000 in infrastructure and program needs facing the Department.

While this measure is an attempt to infuse a large amount of capital into transportation projects to assist DOT in meeting Hawaii's future transportation needs and preventing further degradation of Hawaii's land transportation infrastructure, your Committee notes that a number of other measures working towards increasing State Highway Fund revenues are currently progressing through the legislative process, some of which have already passed your Committee on Transportation. Accordingly, your Committee has amended this bill by:

- (1) Deleting provisions that would have increased the state vehicle registration fee; increased vehicle weight tax and flat rate fees; permanently increased the rental motor vehicle surcharge tax; authorized the expenditure of funds for land transportation improvement projects and programs; required DOT to develop pilot programs to test alternatives to the current motor vehicle fuel tax systems; allowed DOTAX to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT; allowed DOT to terminate any pilot program with notification to DOTAX; appropriated funds for the Vehicle Miles Traveled Pilot Program; and required DOT to submit various reports to the Legislature; and
- (2) Providing for an unspecified increase in the state liquid fuel tax for all islands with a total resident population of 20,000 or more for a period of six years.

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. 1531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1531, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 271            Agriculture/International Affairs on H.B. No. 947**

The purpose of this bill is to support farmers who implement the Cho global natural farming methodology by requiring the Department of Agriculture (DOA) to establish the Natural Farming Grant Program.

Partners in Development Foundation and numerous concerned individuals supported this bill. DOA supported the intent of this measure.

Your Committees note that this measure contains a provision establishing an unspecified limit on the dollar amount of grants that may be awarded under the Program. Your Committees will continue to work to determine an appropriate "cap" for the grant awards. In addition, your Committees note that existing programs such as the New Farmer Loan Program, which provides low-interest loans to qualified applicants, offer another funding source for farmers interested in natural farming.

Your Committees have amended this measure by:

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

As affirmed by the records of votes of the members of your Committees on Agriculture and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 947, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 947, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 272            Agriculture/Water, Land, & Ocean Resources on H.B. No. 1230**

The purpose of this bill is to facilitate the construction of agricultural and aquacultural infrastructure by prohibiting counties from requiring a building permit for the construction of low risk, nonresidential temporary or permanent structures used for agricultural or aquacultural operations, under certain conditions.

Hawaii Farm Bureau Federation, Shrimp Improvement Systems Hawaii LLC, East Oahu County Farm Bureau, and Hawaii Aquaculture & Aquaponics Association supported this bill. The Department of Agriculture opposed this measure.

Your Committees have amended this measure by:

- (1) Specifically including aquaponics or any growing of plants or animals with aquaculture effluents under the definition of "aquacultural";
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the 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. 1230, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1230, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Brower.

**SCRep. 273            Agriculture/Water, Land, & Ocean Resources on H.B. No. 1571**

The purpose of this bill is to authorize the issuance of \$2,000,000 in general obligation bonds to finance capital improvements to the Waiahole Irrigation System (WIS).

The Hawaii Agriculture Research Center; Halms Enterprise; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Hawaii Crop Improvement Association; Monsanto Hawaii; Pioneer Hi-Bred International, Inc.; and two concerned individuals supported this bill.

In light of testimony received by your Committees regarding the needs of other irrigation systems, your Committees have amended this measure by deleting its contents and inserting provisions that authorize the issuance of general obligation bonds in the amount of:

- (1) \$9,960,000 for fiscal year 2011-2012; and
- (2) \$9,900,000 for fiscal year 2012-2013,



to finance capital improvements for various irrigation systems throughout the State, including the WIS. This bill, as amended, also specifies available federal matching funds for projects that qualify for such funds.

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. 1571, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1571, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Har and Marumoto.

**SCRep. 274            Agriculture on H.B. No. 1276**

The purpose of this bill is to provide a grant to the Hawaii Livestock Cooperative (Cooperative) to enable the Cooperative to make investments in modern equipment, expand and improve its stock of animals, develop new markets and products, and take other actions necessary to stabilize its operations. This bill also requires the Cooperative to submit a detailed business plan to the Legislature prior to the Regular Session of 2012.

The Hawaii Cattlemen's Council, Inc., and a concerned individual supported this bill. The Department of Agriculture (DOA) supported the intent of this measure. Animal Rights Hawaii, Leilani Farm Sanctuary and several concerned individuals opposed this bill.

Your Committee notes that it has received information from DOA regarding the Cooperative's current situation. In summary:

- (1) The Cooperative leases 6,685 acres of state land in Campbell Industrial Park. The property was leased from the State with two existing structures. The first structure is a 22,656 square foot enclosed warehouse and the second structure is a 19,200 square foot open air warehouse;
- (2) The State owns the land and the two existing structures;
- (3) The Cooperative owns the slaughterhouse inside the warehouse along with the equipment. It also owns the lagoon to process the wastewater;
- (4) The Cooperative constructed the slaughterhouse inside the existing 22,656 square foot enclosed warehouse. The slaughtering facility has exterior walls of hollow tile (CMU) that were built within the existing warehouse structure. The facility has two separate kill floors, one for hogs and another for cattle, and contains additional rooms;
- (5) The 19,200 square foot open air warehouse contains pens used to hold the animals prior to slaughter. The Cooperative has also constructed waste ponds that biologically process the waste water using a system known as the "Living Machine"; and
- (6) The Cooperative has given consent for the Agricultural Loan Division of DOA to release its financial information to the Legislature. The balance sheet, income statement, and a schedule of accounts payable are available for review but should be treated as confidential information. The balance of the State's loans is \$594,914.22 as of July 31, 2011.

Your Committee intends to continue to address the problems facing the Cooperative and discussed in the public hearing as this bill moves forward in the legislative process.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 275            Energy & Environmental Protection on H.B. No. 1346**

The purpose of this measure is to reduce the amount of energy used by televisions in the State in order to promote energy and efficiency and conservation.

Specifically this measure:

- (1) Establishes statewide energy efficiency standards for televisions manufactured on or after July 1, 2013, with a screen size less than or equal to one thousand four hundred inches; and
- (2) Prohibits the sale or offer for sale of televisions in Hawaii that do not meet the energy efficiency standards.

Testimony in support of this measure was submitted by Blue Planet Foundation and the Sierra Club-Hawaii Chapter. Testimony in opposition to this measure was submitted by the Consumer Electronics Association, Consumer Electronics Retailers Coalition, and Retail Merchants of Hawaii. Comments on this measure were submitted by the Custom Electronic Design and Installation Association.

Your Committee finds that this measure has the laudable intent of establishing energy efficiency requirements for televisions that are sold in Hawaii. However, your Committee believes that the standards established in this measure may be outdated and based upon specifications already surpassed by the consumer electronics industry. Your Committee further finds that, over time, these efficiency standards may have the unintended effect of impeding energy conservation efforts as newer, more efficient television technologies become available to consumers.

Accordingly, your Committee has amended and simplified this measure by deleting the detailed energy efficiency specifications and, instead, linking Hawaii's television energy efficiency standards to the efficiency standards set by the federal ENERGY STAR program. Specifically, the amended measure will prohibit the sale or offer for sale or installation in Hawaii of a television with a viewable screen area of one thousand four hundred inches or less, manufactured after June 30, 2012, unless the television meets the ENERGY STAR standard in effect at the time of the sale. Your Committee believes that this amendment will provide the flexibility to adapt to changing television technologies while allowing manufacturers and retailers to implement energy efficiency standards effectively. Your Committee has made various other technical nonsubstantive amendments for the purposes of conformity, 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. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1346, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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

**SCRep. 276 Energy & Environmental Protection on H.B. No. 786**

The purpose of this bill is to protect Hawaii's environment and public health and provide the Department of Health (DOH) with revenues for the administration and operation of its solid waste regulatory program by:

- (1) Increasing the solid waste management surcharge from 35 cents to 55 cents per ton of solid waste; and
- (2) Extending the solid waste management surcharge to solid waste shipped out-of-state by a solid waste shipping facility.

DOH testified in support of this bill. The Department of Environmental Services of the City and County of Honolulu provided comments.

Currently, the disposition of solid waste is regulated by DOH through its solid waste regulatory program. To cover the costs of this program, a surcharge was initiated in 1993 at a rate of 25 cents per ton, which was later increased to 35 cents per ton in 1997, the last time it was increased. This surcharge is the main source of funding for the solid waste regulatory program.

At present, annual revenue from the surcharge is approximately \$525,000 while program expenses exceed \$600,000 and are only projected to increase. The proposed increase in the surcharge in this measure is expected to allow DOH to maintain current services if the practice of "borrowing" personnel from other programs continues. DOH projects a necessary revenue stream of approximately \$900,000 annually to enable the program to fully fund current positions and maintain services for the long term. This would equate to an increase of the surcharge to 65 cents per ton.

Your Committee finds that while increasing the solid waste management surcharge would allow DOH's solid waste regulatory program to maintain their services, the program should be fully funded through this surcharge and reduce the general fund subsidy for this program. Your Committee has amended this bill by:

- (1) Deleting the definition of "solid waste shipping facility";
- (2) Changing the increase in the solid waste management surcharge from 55 cents per ton to 65 cents per ton; and
- (3) Deleting the extension of the surcharge to all solid waste shipped out-of-state by solid waste shipping facilities.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 786, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Har and Ito.  
(Representatives Riviere and Thielen voted no.)

**SCRep. 277 Energy & Environmental Protection on H.B. No. 1068**

The purpose of this bill is to provide the Department of Health (DOH) with additional time and flexibility to adopt rules regarding greenhouse gas (GHG) emissions by:

- (1) Allowing, rather than requiring, the Director of DOH (Director) to adopt rules regarding GHG emissions;
- (2) Removing the deadline by which the Director must adopt the rules regarding GHG emissions;
- (3) Removing the timeframe by which GHG emissions limits need to be achieved;
- (4) Deleting the date by which the rules adopted by the Director would become operative; and

- (5) Deleting the date after which the Director may revise the rules and adopt additional rules as necessary.

DOH testified in support of this bill. The Sierra Club-Hawaii Chapter, Blue Planet Foundation, and The Nature Conservancy of Hawaii testified in opposition to this measure.

Act 234, SLH 2007, created the GHG Emission Reduction Task Force (Task Force) to develop a plan and strategy to reduce GHG emissions and which DOH would implement through rules and a regulatory program. However, in its final report to the Legislature, the Task Force did not specify a regulatory air pollution control scheme for DOH but recognized the need for DOH, to coordinate state efforts with ongoing United States Environmental Protection Agency (EPA) developments. As the EPA is continuing to adopt new regulations with regard to GHG emissions and a regulatory scheme has still not been developed by the State, DOH needs flexibility in adopting the rules governing GHG emissions. This measure attempts to address this issue.

Nevertheless, while your Committee understands the need for more time for DOH to adopt rules regarding GHG emissions, it also concurs with concerns raised that leaving the regulation of GHG emissions solely to the discretion of DOH may result in inaction. Rather, it would be more prudent to extend the deadline by which DOH would need to adopt rules regarding GHG emissions. Accordingly, your Committee has amended this bill by:

- (1) Extending the deadline for the adoption of rules regarding GHG emissions by four years;
- (2) Reinserting language requiring, rather than allowing, the Director to adopt rules regarding GHG emissions;
- (3) Reestablishing the date of January 1, 2020, by which GHG emission limits are to be achieved;
- (4) Extending the date by which the rules adopted by the Director would become operative by four years; and
- (5) Changing the date after which the Director may revise the rules and adopt additional rules as necessary to January 1, 2016.

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 H.B. No. 1068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1068, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 278 Public Safety & Military Affairs on H.B. No. 1012**

The purpose of this Act is to appropriate an unspecified amount of funds for the Attorney General for costs related to the planning and operation of security services and activities for the 2011 Asia-Pacific Economic Cooperation Leaders meeting.

The Attorney General supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1012, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 279 Public Safety & Military Affairs on H.B. No. 668**

The purpose of this bill is to recognize the services rendered by veterans by establishing the Working Group on the Expansion of the Military License Plate Program, to examine the State's policy on military specialty license plates and explore the feasibility of providing specialty license plates for all veterans.

The Oahu Veterans Council testified in support of this measure. The Office of Veterans' Services supported the intent of this bill. The Department of Customer Services of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 668, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 280 Public Safety & Military Affairs on H.B. No. 551**

The purpose of this Act is to change the current law on who can possess an electric gun to include county liquor authority investigators.

Several concerned individuals testified in support of this measure. The Honolulu Police Department and the American Civil Liberties Union of Hawaii opposed this bill.

In light of the testimony given, your Committee has amended this bill by changing its effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 551, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki and Takumi.  
(Representative Fontaine voted no.)

**SCRep. 281            Public Safety & Military Affairs on H.B. No. 603**

The purpose of this Act is to establish an interdisciplinary working group within the Civil Defense Agency that shall:

- (1) Create an integrated management system to share information across public agencies during the preparation and planning for mass events, whether unplanned and arising naturally, or resulting from scheduled events; and
- (2) Prepare a written memorandum of agreement that shall include standards and protocols for mutual cooperation.

The State Department of Defense, State Fire Council, Department of Fire and Public Safety of the County of Maui, and the Kauai Fire Department testified in support of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 603, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 282            Public Safety & Military Affairs on H.B. No. 314**

The purpose of this Act is to prepare Hawaii for disasters and natural hazards by:

- (1) Establishing the Office of Disaster Preparedness (ODP);
- (2) Requiring the Director of ODP to develop a comprehensive disaster preparedness plan and annually report to the Legislature on the status of the plan;
- (3) Establishing a Disaster Preparedness Commission (Commission) to assist the Director in developing the disaster preparedness plan, gather information on past disasters that occurred in the State, and establish advisory committees to provide technical and other support to the Director; and
- (4) Appropriating an unspecified sum to establish and operate the ODP and the Commission.

Hawaii Insurers Council supported the intent of this measure. The Department of Defense opposed this bill. Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 314, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 283            Public Safety & Military Affairs on H.B. No. 1502**

The purpose of this bill is to appropriate funds to establish and hire six instructor positions for Junior Reserve Officers' Training Corps (JROTC) programs at public high schools in the State.

The State Department of Defense and the Oahu Veterans Council testified in support of this measure. The Department of Education supported the intent of this bill.

Although your Committee is not in disagreement with the purpose of this measure, your Committee notes the State's depressed fiscal situation and accordingly suggests that funding for the establishment and hiring of six JROTC instructor positions may be made available through weighted student formula funds.

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1502, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 284            Public Safety & Military Affairs on H.B. No. 277**

The purpose of this bill is to:

- (1) Designate a nonprofit corporation as the state liaison in matters relating to the military, and to provide oversight for the military's presence in Hawaii and the impact that defense spending has on Hawaii's economy; and
- (2) Establish the Military Affairs Liaison Trust Fund as a separate fund of the nonprofit corporation to support the nonprofit corporation in its duties as the state liaison in matters relating to the military.

The Department of Defense (DOD) and The Chamber of Commerce (COC) supported this measure with amendments. The Department of Budget and Finance provided comments. In consideration of the amendments provided by DOD and COC in their testimony, your Committee has amended this measure by:

- (1) Adding language that allows DOD, with the Governor's concurrence, to select the nonprofit corporation that shall serve as the state liaison in matters relating to the military;
- (2) Omitting language that makes references to a Military Affairs Liaison Trust Fund Coalition and its establishment; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 277, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 285            Public Safety & Military Affairs on H.B. No. 1632**

The purpose of this Act is to provide funding for the acquisition of land to expand the burial space for the veteran's cemetery in Makawao, Maui.

The Office of Veteran Services, the Oahu Veterans Council, and several concerned individuals testified in support of this measure. One individual offered comments.

Your Committee has amended this bill by:

- (1) Blanking out the appropriation amount; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1632, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1632, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 286            Human Services/Health on H.B. No. 596**

The purpose of this bill is to require the Department of Human Services (DHS) to presume eligible for Medicaid applicants who have been waitlisted for long-term care who are able to show proof of certain income and asset requirements, waitlist status, and level of care requirements.

Additionally, this bill:

- (1) Establishes provisions for the disenrollment of applicants who are later determined to be ineligible for Medicaid after receiving services during the period of presumptive eligibility, including requiring DHS to reimburse the provider or plan;

- (2) Requires DHS to submit a report to each Legislature beginning with the Regular Session of 2012 and ending with the Regular Session of 2016, regarding costs and issues related to Medicaid presumptive eligibility;
- (3) Requires DHS to conduct a study for a potential computerized system for processing Medicaid applications; and
- (4) Appropriates \$200,000 for the 2011-2012 fiscal year to cover the costs of reimbursements to providers or plans for services provided to waitlisted patients who are enrolled but are later determined to be ineligible.

The Queen's Medical Center, the Healthcare Association of Hawaii, the Hawaii Disability Rights Center, The Chamber of Commerce of Hawaii, Kaiser Permanente Hawaii, and Hawaii Pacific Health testified in support of this bill. DHS provided 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. 596 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 287 Human Services on H.B. No. 739**

The purpose of this bill is to provide quality care for the elderly and disabled by amending the definition of "community care foster family home" to include the requirement that the primary caregiver must be a certified nurse aide and the substitute caregiver must be a nurse aide for community care foster family homes approved for a maximum of three clients.

The Primary Care Providers, Filipino Chamber of Commerce of Hawaii, and Adult Foster Homecare Association of Hawaii testified in support of this bill. The Department of Human Services opposed this measure.

Your Committee realizes the importance of ensuring safety for elderly and disabled residents of community care foster family homes and finds that nurse aides have 100 hours of education before receiving the title of nurse aide. Case managers reviewing the skill level of nurse aides in community care foster family homes is another safeguard in place.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 739, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 288 Human Services on H.B. No. 1262**

The purpose of this bill is to amend the offense of murder in the first degree to include causing the death of a person known by the defendant to be a witness in a family court proceeding alleging a violation of the law by a minor.

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. 1262 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 Pine.

**SCRep. 289 Human Services on H.B. No. 704**

The purpose of this bill is to make bullying at home a misdemeanor offense and require counseling for any individual who is convicted of the offense.

A concerned individual testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 704, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 290 Health on H.B. No. 761**

The purpose of this bill is to change references in the law from "mental retardation", or similar terms, to "intellectual disability", or like terms.

The Department of Health, State Council on Developmental Disabilities, Special Education Center of Hawaii, Hawaii Disability Rights Center, St. Francis Healthcare System of Hawaii, and many concerned individuals 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. 761 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 291 Health on H.B. No. 411**

The purpose of this bill is to support consumers of health care services by:

- (1) Defining "home health agency"; and
- (2) Requiring the Department of Health (DOH) to license home health agencies.

Healthcare Association of Hawaii testified in support of this measure. DOH opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date of the bill to July 1, 2050, to facilitate continued discussion on the bill; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the 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. 411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 411, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 292 Health/Human Services on H.B. No. 905**

The purpose of this bill is to increase the efficiency of delivering health and human services and eliminate gaps in service by requiring the Director of Health and the Director of Human Services to develop, and update annually, a health and human services delivery plan.

The State Procurement Office submitted comments on this bill.

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. 905 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 293 Economic Revitalization & Business on H.B. No. 1162**

The purpose of this bill is to:

- (1) Prohibit the Contractors License Board (Board) from considering unlicensed experience in the State or in any other state as a qualification for licensing, except under certain circumstances; and
- (2) Require a licensed contractor or the licensed contractor's responsible managing employee to be present within the State for certain designated time periods throughout the contract term.

The Pacific Resource Partnership supported this bill. The Board opposed this measure.

In light of concerns raised during the public hearing, your Committee has amended this measure by:

- (1) Deleting the provision requiring a licensed contractor or the licensed contractor's responsible managing employee to be present within the State for certain designated time periods throughout the contract term;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee respectfully requests your Committee on Consumer Protection and Commerce to review the amendments made by your Committee to this bill. Your Committee intends to continue discussion on this measure as it moves forward in the legislative process.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1162, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 294 Water, Land, & Ocean Resources on H.B. No. 952**

The purpose of this bill is to maximize the use of public school lands and to generate income to construct, repair, and retrofit public schools to meet the challenges of the 21<sup>st</sup> century and beyond. Specifically, this bill:

- (1) Establishes the Public School Lands Trust, to which all public school trust lands from the Department of Education (DOE) are to be transferred;
- (2) Establishes the Public School Lands Trust Commission (Commission) within the Department of Land and Natural Resources (DLNR) for administrative purposes, to manage, administer, and control the Public School Lands Trust;
- (3) Requires the Commission to, among other things, identify underutilized public school lands and sites with redevelopment potential, develop plans to redevelop public school lands, and develop plans for generating revenues from public school trust lands;
- (4) Establishes the Public School Lands Trust Permanent Fund (Permanent Fund) and School Facilities Special Fund; and
- (5) Requires a portion of the proceeds generated by redevelopment projects to be deposited into the Permanent Fund.

The Hawaii State Teachers Association, the Land Use Research Foundation of Hawaii, and a concerned individual testified in support of this bill. The Office of Hawaiian Affairs opposed this measure. DLNR, DOE, and the Mayor of the City and County of Honolulu 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. 952 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 295 Tourism on H.B. No. 976**

The purpose of this bill is to specify that the transient accommodations tax (TAT) collected should be the higher of \$8 per day per unit or 7.25 percent of the gross proceeds, beginning July 1, 2011.

The Department of Taxation testified in support of this bill. Marriott Vacation Club International opposed this measure. Starwood Hotels and Resorts and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by assessing a TAT of \$4 per day per unit beginning on July 1, 2013.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 976, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 296 Education on H.B. No. 159**

The purpose of this bill is to assist charter schools with the cost of facilities and facilities maintenance by establishing a funding formula for charter school facilities by which the Department of Education (DOE) must allocate funding.

The Charter School Review Panel, Office of Hawaiian Affairs, Kamehameha Schools, Hawaii Charter Schools Network, Hawaii Technology Academy, Innovations PCS Foundation, and many concerned individuals supported this bill. DOE and Ho'okako'o Corporation 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 159 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 Chang.

**SCRep. 297 Education on H.B. No. 945**

The purpose of this bill is to address the unique needs of multi-track public schools by requiring these schools to meet 90 percent of the required number of instructional days and hours required of other public schools.

The Department of Education and several concerned individuals supported this bill. Several concerned individuals opposed this measure.



Your Committee has amended this measure by:

- (1) Removing the requirement of a minimum number of student instructional hours that multi-track schools must meet; and
- (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. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 945, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 298 Labor & Public Employment on H.B. No. 1035**

The purpose of this bill is to place a moratorium on Employees' Retirement System (ERS) benefit enhancements until such time the ERS's fund ratio is at least 80 percent.

The ERS and the Department of Budget and Finance testified in strong support of this measure. The University of Hawaii Professional Assembly opposed this bill. The City and County of Honolulu Department of Budget & Fiscal Services submitted comments.

Your Committee notes that employers covered by the ERS are facing significant increases in their contribution rates. Any benefit enhancements granted at this time would require even larger contribution rate increases. Your Committee believes that this bill is a means of ensuring the financial viability of the ERS and benefits to those covered by the system.

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

- (1) Changing the moratorium on the enhancement of ERS benefits to 100 percent of the ERS's funded ratio; and
- (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. 1035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1035, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 299 Judiciary on H.B. No. 1005**

The purpose of this bill is to bring the State into compliance with Title IV-D of the federal Social Security Act that requires the provision of child welfare services to certain tribal agencies and foreign countries by:

- (1) Defining "other state" in the State Child Support Enforcement Law to include tribal certain agencies and foreign countries ; and
- (2) Applying services provided under the State Child Support Enforcement Law to those other states.

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

Your Committee has amended this bill by:

- (1) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1005, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1005, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 300 Judiciary on H.B. No. 1189**

The purpose of this bill is to appropriate \$120,000 in each year of the 2011-2013 fiscal biennium for the staffing and operations of the Judicial Selection Commission (Commission).

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

This bill was submitted for introduction by the Commission pursuant to Article VI, Section 4, of the Hawaii State Constitution, which provides that the Commission "shall be attached to the judiciary branch of the state government for purposes of administration."

Your Committee notes that the Judiciary proposed a different amount for the Commission in H.B. No. 300, the Judiciary Appropriations Act of 2011. Your Committee recommends that the amount requested by the Commission in this measure be adopted for consideration.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1189 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, Luke, McKelvey, Morita and Souki.

**SCRep. 301 Water, Land, & Ocean Resources/Agriculture on H.B. No. 226**

The purpose of this bill is to establish that an owner or occupier of land:

- (1) Owes no duty of care to:
  - (A) Keep land safe for entry or use by a person who commits criminal trespass; or
  - (B) Provide warning of a dangerous condition, use, structure, or activity on the land;
- (2) Is not liable to a trespasser for any injury or death that occurs on the property during or after the commission of certain crimes; and
- (3) Is not liable for any civil damages resulting from the acts or omissions of a person who commits criminal trespass, except for the damages that may result from the owner of land's or occupier of land's gross negligence or wilful or wanton acts that caused the injury or death.

The Department of Agriculture; Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Haleakala Ranch; Land Use Research Foundation of Hawaii; Ulupalakua Ranch, Inc.; Hawaii Cattlemen's Council; Kauai Cattlemen's Association; Maui Cattlemen's Association; Kamehameha Schools; and numerous concerned individuals supported this bill. The Hawaii Association for Justice opposed this measure.

After careful consideration, your Committees have amended this bill by providing that an owner or occupier of land is not liable for any injury, death, loss, or damage suffered by any trespasser, unless the injury, death, loss, or damage:

- (1) Was intentionally inflicted upon the trespasser by the owner or occupier of the land; or
- (2) Was caused by the gross negligence of the owner or occupier of the land.

Furthermore, the intentional act or gross negligence must have been committed by the person sought to be held liable.

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

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 226, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 226, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 302 Housing on H.B. No. 69**

The purpose of this bill is to clarify the right of members of planned community associations to display the United States and State of Hawaii flags on their properties by prohibiting planned community associations and their boards of directors from:

- (1) Disallowing members or their bona fide tenants from displaying house-mounted United States and State of Hawaii flags on their residential dwellings; and
- (2) Assessing or charging any fee or fine, or imposing any penalty, on their members, for house-mounted display of these flags.

It is your Committee's intent to give latitude to the members of planned community associations in determining the duration and time period in which they may choose to display house-mounted United States and State of Hawaii flags, and as such, a specified duration and time period is not reflected in this bill.

The Oahu Veterans Council, President of the Korean Air Force Association of Hawaii, Commander of the Veterans of Foreign Wars Post 970, and several concerned military veterans and individuals testified in support of this measure. Mililani Town Association submitted testimony in opposition to this bill.

Upon consideration, your Committee has amended this bill by:

- (1) Specifying that any house-mounted United States flag or State of Hawaii flag must be displayed in a prominent position on the residential dwelling, rather than displayed at the front of the residential dwelling; and
- (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. 69, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 69, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 303            Housing on H.B. No. 753**

The purpose of this bill is to provide a safe place to sleep for the homeless by requiring the Department of Human Services (DHS), in consultation with the counties and private homeless assistance programs, to develop temporary nighttime parking lots to be used by persons who would otherwise sleep in their vehicles on private or public property.

Catholic Charities Hawaii supported the intent of this bill. DHS 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 753, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 304            Judiciary on H.B. No. 297**

The purpose of this bill is to assess a probation services fee to all offenders placed under the supervision of the Adult Client Services Branch, including those granted a deferred acceptance of guilty plea or deferred acceptance of nolo contendere plea.

The Judiciary testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 297, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 305            Judiciary on H.B. No. 300**

The purpose of this bill is to appropriate funds for the operating and capital improvements costs of the Judiciary for fiscal biennium 2011-2013.

The Judiciary, Hawaii State Bar Association Family Law Section, The Mediation Center of the Pacific, Inc., and many concerned individuals supported this bill. The Hawaii State Bar Association and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Making unspecified the operating amounts for the Judicial Selection Commission for fiscal years 2011-2012 and 2012-2013; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito, Luke, McKelvey and Morita.

**SCRep. 306            Judiciary on H.B. No. 301**

The purpose of this bill is to improve the efficiency, productivity, and accessibility of the judicial process by requiring that fees prescribed by the Hawaii Supreme Court for electronic document certification and copies, and for providing bulk access to electronic court records and compilations of data, be deposited into the Judiciary Computer System Special Fund.

The Judiciary 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. 301 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, Ito, Luke, McKelvey and Morita.

**SCRep. 307            Judiciary on H.B. No. 302**

The purpose of this bill is to ensure the efficient and timely transfer of a parolee or probationer out of the State of Hawaii by:

- (1) Requiring the interstate transfer fee collected from offenders requesting the transfer of their probation or parole supervision to the mainland be deposited directly into the Probation Services Special Fund, rather than the General Fund; and
- (2) Stipulating that the monies in the Probation Services Special Fund be used to monitor and enforce compliance with the terms and conditions of probation and other supervision, and to support other duties and activities related to the supervision of defendants.

The Judiciary 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. 302 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, Ito, Luke, McKelvey and Morita.

**SCRep. 308            Judiciary on H.B. No. 1139**

The purpose of this bill is to expand the circumstances under which a summons or other writ issued by a district court may be served outside of the State.

The Collection Law Section of the Hawaii State Bar Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1139 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, Ito and McKelvey.

**SCRep. 309            Judiciary on H.B. No. 1333**

The purpose of this bill is to improve access to Justice by amending the jurisdiction of the Small Claims Division of the District Court to include those cases where the amount in controversy does not exceed \$5,000.

The Judiciary, The Mediation Center of the Pacific, Inc., 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. 1333 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, Herkes, Morita and Souki.

**SCRep. 310            Judiciary on H.B. No. 1640**

The purpose of this bill is to authorize the Attorney General to cooperate with the appropriate county agencies to allow the counties to issue civil identification at locations where driver's licenses are issued. The measure requires the Attorney General to submit a report of findings, recommendations, and proposed legislation to the Legislature no later than 20 days prior to the convening of the 2012 regular session.

The League of Women Voters of Hawaii and one concerned individual testified in support of this bill. The Department of the Attorney General supported the intent of this measure. The City and County of Honolulu commented on behalf of itself and Hawaii, Kauai, and Maui Counties supported the bill, suggesting amendments.

Your Committee notes the additional costs and technical challenges involved in requiring the counties to take responsibility for issuing civil identification. However, your Committee finds that Hawaii is the sole state to issue civil identification and driver's licenses through separate branches of government. Therefore, increasing the efficiency and access of the application process warrants further consideration.

Your Committee has amended this bill by:

- (1) Requiring the Attorney General to establish a program for counties to issue civil identification;
- (2) Including the Department of Transportation as a consulting party in establishing the program and formulating the mandated report to the Legislature;
- (3) Changing its effective date to January 7, 2019, to encourage further discussion, excepting section 3 of the Act, which is still to take effect upon the bill's approval; and
- (4) Making technical, non-substantive 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. 1640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1640, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 311 Higher Education on H.B. No. 1325**

The purpose of this bill is to provide increased financial flexibility to the University of Hawaii (UH) by authorizing UH to retain up to five percent of general funds appropriated, with certain exceptions, to be carried over to the subsequent fiscal year.

UH supported this measure.

Your Committee has amended this bill by:

- (1) Including reporting requirements similar to those required of the Department of Education for the carryover of funds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1325, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 312 Higher Education on H.B. No. 1255**

The purpose of this bill is to remember and honor the heroism and sacrifices of the 100<sup>th</sup> Infantry Battalion/442<sup>nd</sup> Regimental Combat Team by transferring to the University of Hawaii Kapiolani Community College (UH KCC) 1.5 acres of land located adjacent to the approximately 3.993 acres previously set aside by Executive Order No. 3791 to UH KCC for a proposed Legacy Center for the 100<sup>th</sup> Battalion/442<sup>nd</sup> Regimental Combat Team.

A concerned individual supported this bill. The University of Hawaii and Department of Land and Natural Resources 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1255, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1255, H.D. 1.

Signed by all members of the Committee except Representative Chang.

**SCRep. 313 Legislative Management on H.B. No. 250**

The purpose of this bill is to clarify Hawaii's law relating to the employment of attorneys by various state departments. Specifically, this measure allows the Hawaii State Ethics Commission (Commission) to employ or retain the services of an attorney, by contract or otherwise, for the purpose of representing the State or the Commission in any litigation, rendering legal counsel to the Commission, or drafting legal documents for the Commission.

The Commission testified in support of this bill.

Under current state law, state departments, other than the Department of the Attorney General, are not allowed to employ or retain the services of legal counsel to perform various legal services. However, a number of agencies have been exempted from this requirement and are allowed to hire their own attorneys for certain purposes. Your Committee finds that, since the Commission stated that it already employs attorneys in order to preserve its independence, this measure is purely housekeeping in nature.

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

Signed by all members of the Committee.

**SCRep. 314 Legislative Management on H.B. No. 383**

The purpose of this bill is to extend the sunset date of the Legislative Federal Economic Stimulus Program Oversight Commission (Oversight Commission) from June 30, 2011, to December 31, 2011.

The Oversight Commission testified in support of this bill.

The Oversight Commission is tasked with ensuring transparency and accountability for programs, services, and benefits of funds allocated to the State by the American Recovery and Reinvestment Act of 2009 (ARRA). As some of the State agencies that have received ARRA funds have not yet updated the Oversight Commission on their ARRA expenditures, the Oversight Commission is requesting additional time to carry out its tasks and prepare a final report for the Legislature prior to the Regular Session of 2012.

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. 383 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 315            Legislative Management on H.B. No. 382**

The purpose of this bill is to provide the State Auditor (Auditor) with the tools necessary to conduct the Auditor's statutory and constitutional responsibilities. Specifically, this measure:

- (1) Provides explicit authority to the Auditor to inspect all accounts, books, records, files, papers, and documents and all financial affairs of the Department of Taxation (DOTAX); and
- (2) Requires the Auditor to implement internal policies to protect the confidentiality of private personal information contained in tax returns.

The Auditor testified in support of this bill. DOTAX opposed this measure. The Tax Foundation of Hawaii provided comments.

Currently, the Auditor has the constitutional and statutory authority to conduct post-audits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions. However, questions have been raised by DOTAX on the Auditor's authority and ability to review tax returns and other records on file with DOTAX, which has hindered the ability of the Auditor's office to conduct their work.

Nevertheless, your Committee understands the concerns raised by DOTAX regarding the protection of taxpayer information and the holding of individuals working for the Auditor to be held to the same dismissal and criminal penalties for disclosure of tax information as DOTAX employees. While the Auditor stated that other regulations require the Auditor's office to be held to the standards of the department they are auditing, explicitly stating this in DOTAX's case would not be a problem. Accordingly, your Committee has amended this bill by providing the same penalty provisions applicable to employees of DOTAX for disclosure of tax information to the Auditor or Auditor's agent.

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 Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 382, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 316            Legislative Management on H.B. No. 550**

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 (PEG) access organizations, the Hawaii Public Television Foundation, and DCCA's Cable Television Division and submit a report to the Legislature;
- (2) Directing the Auditor to contract for a performance review or audit of Olelo Community Television; and
- (3) Appropriating unspecified funds from DCCA's Compliance Resolution Fund for the contracted performance review or audit.

DCCA testified in support of the intent of this bill. Olelo Community Media provided comments.

Public access programming provides a valuable service to the community. Although the Director of DCCA determines how franchise fees paid by cable operators to support PEG facilities and services are apportioned, questions have been raised as to whether the amounts apportioned to support the broadcasting of governmental meetings and hearings are inadequate to meet the needs of the public. An analysis of the allocation of cable operator franchise fees will help address this issue.

Your Committee notes that while PEGs, including Olelo, are required to file annual performance reports with DCCA, obtaining additional information regarding finances, performance, and whether the resources provided to Olelo are being used as effectively and efficiently as possible will be helpful. It is not the intent of your Committee to single-out Olelo in any way by requesting this audit. Furthermore, your Committee notes its request to the Auditor to provide the Committee with figures regarding the costs of expanding the audit to include all neighbor island PEGs as well.

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

Signed by all members of the Committee.

**SCRep. 317 Human Services on H.B. No. 135**

The purpose of this bill is to strengthen the domestic abuse protective orders law by:

- (1) Specifying that the time in which a temporary restraining order (TRO) remains in effect includes until the service of a protective order issued by the court; and
- (2) Providing that protective orders orally stated by the court on the record shall be effective upon service of the protective order upon the respondent.

The City and County of Honolulu Department of the Prosecuting Attorney, City and County of Honolulu Police Department, Hawai'i State Coalition Against Domestic Violence, and Domestic Violence Action Center testified in support of this bill. The Judiciary took no position on the bill and submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the time in which a TRO remains in effect includes until the effective date of a protective order issued by the court, as defined in section 586-5.6, Hawaii Revised Statutes;
- (2) Providing that protective orders orally stated by the court on the record shall be effective as of the date of the hearing if the respondent attends the hearing or, if the respondent was served, but failed to appear, then upon service of the protective order upon the respondent until further order of the court; and
- (3) Changing its effective date to July 1, 2050, to facilitate continued 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. 135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 135, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 318 Human Services on H.B. No. 968**

The purpose of this bill is to amend the domestic abuse protective order by:

- (1) Specifying that a temporary restraining order may, at the court's discretion, remain in effect for up to 90 days from the date the order is granted or until service of a protective order, whichever occurs first; and
- (2) Making protective orders that are orally stated by the court on the record effective upon service of the protective order upon the respondent.

The Police Department of the City and County of Honolulu, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this bill. The Office of the Public Defender opposed this measure. The Judiciary, Department of the Prosecuting Attorney, and a concerned individual provided comments.

Your Committee amended this bill by:

- (1) Allowing a temporary restraining order to remain in effect for 180 days from the date the order is granted or until the effective date of a protective order that is issued by the court, whichever occurs first;
- (2) Clarifying that protective orders orally stated by the court on the record are effective on the date of the hearing if the respondent attends the hearing or, if the responded was served but failed to appear, upon service of the protective order upon the respondent; and
- (3) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 968, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 319 Human Services on H.B. No. 717**

The purpose of this bill is to require adult family members to report child abuse or neglect to the Department of Human Services (DHS) or the police, except in situations where the alleged perpetrator is actively abusing both the child and the family member.

DHS testified in support of this bill.

Your Committee has amended this bill by correcting an obsolete statutory reference.

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. 717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 717, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 320 Human Services on H.B. No. 758**

The purpose of this bill is to authorize the issuance of general obligation bonds and appropriate funds for the Department of Human Services' Vocational Rehabilitation and Services for the Blind Division, to upgrade equipment and facilities for the Ho'opono Program.

Your Committee recognizes that through the Ho'opono Program, students receive effective blindness skills and techniques to lead independent and productive lives. It is your Committee's understanding that Ho'opono Program graduates receive employment at approximately \$27 per hour.

The Department of Human Services supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 758, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Wooley.

**SCRep. 321 Human Services/Health on H.B. No. 1065**

The purpose of this bill is to ensure the uninterrupted provision of medically necessary services to low-income adults and children by making an emergency appropriation to cover the budget shortfall for health care payments. This will also prevent the loss of \$6,000,000 in federal funding.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 101 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

The Department of Human Services, the Hawaii Medical Service Association, the Healthcare Association of Hawaii, Hawaii Pacific Health, Kaiser Permanente, Hawaii Primary Care Association, Ohana Health Plan, and Hawaii Substance Abuse Coalition testified in support of this measure.

The need for this additional funding is based on the recent economic downturn which resulted in an approximate ten percent increase in eligibility for the State's health care insurance programs. In addition, the Department of Health deferred two months of health plan capitation payments to the current 2010-2011 fiscal year which was not covered in the current fiscal year's budget.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1065 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 322 Water, Land, & Ocean Resources on H.B. No. 1079**

The purpose of this bill is to protect Hawaii's threatened and endangered species by:

- (1) Authorizing the Department of Land and Natural Resources (DLNR) to collect fees to cover the costs of their Habitat Conservation Technical Assistance Program which assists landowners in the development, review, and monitoring of habitat conservation plans;
- (2) Requiring DLNR to adopt rules for the establishment of the fees; and
- (3) Providing for the fees to be deposited into the Endangered Species Trust Fund.

DLNR and Earthjustice testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1079, H.D. 1, and be referred to the Committee on Finance.

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



**SCRep. 323 Water, Land, & Ocean Resources on H.B. No. 1083**

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in using its fiscal resources more efficiently and effectively by:

- (1) Stipulating that an owner of an unauthorized vessel that is impounded by DLNR is solely responsible for all costs of the impoundment and disposal of the vessel;
- (2) Requiring that any proceeds resulting from the impoundment of the unauthorized vessel first be used to pay the costs of impoundment and disposal and then to pay any mooring fees that may be due; and
- (3) Specifying that, when the proceeds resulting from the impoundment are inadequate to pay for all costs due including mooring fees, the owner of the vessel shall remain liable for the outstanding costs and fees.

DLNR 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. 1083 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 and Chong.

**SCRep. 324 Agriculture/Water, Land, & Ocean Resources on H.B. No. 1277**

The purpose of this bill is to appropriate funds out of the Agricultural Development and Food Security Special Fund for the Department of Agriculture (DOA) to complete the statewide agriculture water development study.

Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Land Use Research Foundation of Hawaii, and two concerned individuals supported this bill. The Department of Agriculture supported the intent of this measure.

Your Committees have amended this measure by:

- (1) Clarifying that the appropriation be made to complete the Statewide Agriculture Water Use and Development Plan; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1277, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Chong, Har and Marumoto.

**SCRep. 325 Agriculture on H.B. No. 285**

The purpose of this bill is to provide a dedicated source of funding for the Department of Agriculture's (DOA) Measurement Standards Branch by establishing the Weights and Measurements Special Fund (Special Fund). In addition, this bill, among other things, requires DOA to adopt new rules or amend existing rules to impose or increase fees authorized to be charged under the Measurement Standards Program to generate sufficient revenues to pay for the operation and maintenance costs of the Program.

Hawaii Farm Bureau Federation supported this bill. DOA supported the intent of this measure. The Department of Budget and Finance submitted comments.

Your Committee respectfully requests your Committee on Finance to further review the merits of this measure, including the financial impacts of the provisions relating to the Special Fund and the rule change requirements.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 285, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 326      Agriculture on H.B. No. 286**

The purpose of this bill is to exempt from the general excise tax the gross income or gross proceeds from the sale, at retail or wholesale, of a local agricultural product that meets certain conditions.

The Department of Agriculture supported the intent of this measure. The Department of Taxation and a concerned individual opposed this bill. The Attorney General submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 286, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 327      Agriculture on H.B. No. 869**

The purpose of this bill is to establish a program to provide state matching funds for expenses incurred by the counties in supporting agriculture.

The Department of Agriculture supported the intent of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 869, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tokioka and Marumoto.

**SCRep. 328      Agriculture on H.B. No. 1275**

The purpose of this bill is to support local agriculture by providing a grant to 4 Ag Hawaii to enhance its "Buy Local, It Matters" campaign.

Hawaii Cattlemen's Council, Inc., supported this bill. The Department of Agriculture and Hawaii Farm Bureau Federation supported the intent of this measure.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1275, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

**SCRep. 329      Agriculture on H.B. No. 1569**

The purpose of this bill is to support local agriculture and protect Hawaii from invasive pests by requiring the Department of Agriculture to implement an import replacement pilot program to reduce the importation of high-risk commodities and increase the production of such commodities from local sources.

Hawaii Farm Bureau Federation, The Nature Conservancy of Hawaii, and Hawaii Floriculture & Nursery Association supported this bill. The Department of Agriculture supported the intent of this measure. A concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1569 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 330      Agriculture on H.B. No. 1598**

The purpose of this bill is to support the local cacao industry by:

- (1) Temporarily exempting from the general excise tax (GET) amounts received for the sale of cacao from a domestic producer or processed cacao from a domestic processor; and
- (2) Requiring the Department of Agriculture (DOA) to collaborate with the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources to determine the best locations for a cacao processing facility.

The Representative of the 27<sup>th</sup> House District, Hawaii Farm Bureau Federation, Padovani's Chocolates, and several concerned individuals supported this bill. DOA supported the intent of this measure. The Attorney General opposed this bill.

In light of concerns raised in the testimony on this matter, your Committee has amended this measure by:

- (1) Deleting references to "domestic" producers or processors, making the GET exemption applicable to amounts received for the sale of cacao from a producer or processed cacao from a processor; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Riviere.

**SCRep. 331            Agriculture on H.B. No. 1607**

The purpose of this bill is to expand liability protections for ranchers in cases involving criminal trespass by:

- (1) Establishing that an owner of range land owes no duty of care to keep range land safe for entry or use by a trespasser or to warn of dangerous natural conditions, range activities, or uses to a trespasser;
- (2) Establishing a rebuttable presumption that an owner of range land is not liable to a trespasser for injury, loss, damage, or death occurring on range land; and
- (3) Establishing that an owner who allows recreational use of range land shall be entitled to the protections of Chapter 520, Hawaii Revised Statutes, relating to landowners' liability.

This bill also specifies that the provisions contained in this measure shall not limit the liability of an owner who is grossly negligent, willfully or wantonly disregards the safety of a trespasser, or intentionally causes injury, damage, or death to a trespasser.

The Department of Agriculture, Hawaii Cattlemen's Council, Inc., Land Use Research Foundation of Hawaii, Dole Food Company Hawaii, and a concerned individual supported this bill. The Hawaii Farm Bureau Federation supported the intent of this bill. A concerned individual opposed this measure. The Hawaii Association for Justice and Maui Cattlemen's Association submitted comments.

Your Committee recognizes the need to address the serious concerns raised by ranchers regarding their liability to trespassers who illegally enter ranch lands and become injured. However, your Committee is also aware of the potential for unintended consequences of expanding liability protections provided for in this bill, and must act judiciously. Your Committee intends to continue to address this matter as this bill moves forward in the legislative process.

Therefore, your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1607, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Riviere.

**SCRep. 332            Health on H.B. No. 978**

The purpose of this bill is to authorize the Hawaii Health Systems Corporation to lease Kula Hospital's medical clinic and all of its equipment, furnishings, and fixtures, to Malama I Ke Ola Health Center (Health Center) at a rate of \$1 per year for a period of ten years, with options to renew. The lease transaction would be subject to the Procurement Code and other relevant laws.

The Hawaii Health Systems Corporation – Maui Region and Hawaii Primary Care Association testified in support of this bill.

Your Committee encourages stakeholders to include the Kula Community Association in its discussions regarding this measure.

Your Committee has amended this bill by:

- (1) Requiring the Health Center, as a condition of the lease terms, to:
  - (A) Have received federal funds during the term of the lease; and
  - (B) Maintain its status as a federally-qualified health center;
- (2) Changing the annual lease and fixture rents to unspecified amounts; 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. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 978, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 333            Health on H.B. No. 597**

The purpose of this bill is to improve the quality of health care by expanding the privacy protections provided to quality assurance committees as they monitor and evaluate patient care in an effort to reduce risk of harm to patients by expanding the definition of "quality assurance committees" to include interdisciplinary committees established by the boards of trustees or administrative staff of various health care organizations with the same quality assurance functions as outlined in current law for quality assurance committees.

The Hawaii Medical Service Association, the Healthcare Association of Hawaii, and The Queen's Medical Center supported this bill.

Your Committee feels that this expansion of quality assurance functions will continue to encourage robust discussion about health care, leading to changes in policies, procedures, and practices. Without these protections, the discussions would be limited and this avenue of improving health care would be more difficult.

As affirmed by the 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. 597 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 334            Health on H.B. No. 602**

The purpose of this bill is to reach more women who are eligible to be screened for breast and cervical cancer under the Hawaii Breast and Cervical Cancer Control Program, which makes screening services available to low-income, uninsured, and underserved women, by making an appropriation for such screening.

Planned Parenthood of Hawaii, the Hawaii Chapter of the American Physical Therapy Association, the American Cancer Society, Healthy Mothers Healthy Babies Coalition and numerous individuals supported this bill. The Department of Health supported the intent of the measure.

Your Committee finds that women who live in poverty as well as racial and ethnic minorities have a higher rate of cancer-related deaths due to a variety of barriers including economic. Early detection through screening is critical in saving lives.

As affirmed by the 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. 602 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 335            Health on H.B. No. 1203**

The purpose of this bill is to make the Physician Workforce Assessment Fee permanent by repealing the sunset date of Act 18, Special Session Laws of Hawaii 2009.

The University of Hawaii John A. Burns School of Medicine, the Hawaii Association for Justice, and a concerned individual testified in support of this bill. The Hawaii Medical Board submitted comments.

Your Committee has amended this bill by:

- (1) Providing that excess funds from the John A. Burns School of Medicine Special Fund shall be used for purposes as specified in this bill; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1203, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 336 Health on H.B. No. 1134**

The purpose of this bill is to eliminate provisions and references that sunset the Hawaii Prepaid Health Care Act, by repealing Act 99, Session Laws of Hawaii 1994, and repealing Chapter 393, Part V, Hawaii Revised Statutes.

Your Committee notes that changes to the Hawaii Prepaid Health Care Act could jeopardize Hawaii's exemption from the federal Employee Retirement Income Security Act (ERISA). ERISA supercedes state laws related to employee benefits.

The Department of Labor and Industrial Relations, Hawaii Medical Service Association, Hawaii Association of Health Plans, Hawaii Medical Association, and ILWU Local 142 testified in support of this measure. The Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, and a concerned individual submitted comments.

National health care reform under the Affordable Care Act is currently underway. However, questions abound as to how this federal Act will affect health care coverage in Hawaii.

For over 30 years, residents in Hawaii have benefitted from the employer-based health care coverage mandated under the Hawaii Prepaid Health Care Act. This measure will maintain the integrity of that Act while questions about the federal Act are being resolved.

Your Committee has amended this bill by:

- (1) Extending the effective date of the bill to July 1, 2050, to encourage continued discussion on the bill; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1134, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 337 Health on H.B. No. 1053**

The purpose of this bill is to promote public health and safety by requiring that dental hygienists pass the National Dental Hygiene Examination to be licensed as a dental hygienist in Hawaii.

The Board of Dental Examiners and Hawaii Dental Hygienists' Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1053 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 338 Health/Human Services on H.B. No. 157**

The purpose of this bill is to facilitate greater access to information on the quality and conditions of care facilities in Hawaii by requiring the Department of Health and the Department of Human Services to post on their respective websites information collected from the departments' inspections of care facilities.

Best Buddies Hawaii, Hawaii Disability Rights Center, and St. Francis Healthcare System of Hawaii testified in support of this bill. The Department of Human Services and the Executive Office on Aging opposed this bill. Healthcare Association of Hawaii submitted comments.

Your Committees have amended this bill by changing its effective date to July 1, 2050.

Your Committees voiced concerns regarding this bill, and recommend the amended effective date not be changed in subsequent committees, in order to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 157, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 157, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 339 Health/Human Services on H.B. No. 749**

The purpose of this bill is to ensure that nurse aides are proficient in necessary skills by making the competency evaluation requirement for nurse aides working in state-approved health care settings and Medicare or Medicaid certified nurse aides part of the continuing education hours and maintenance requirements for recertification.

The Alliance of Residential Care Administrators submitted testimony in support of this bill. The Department of Human Services submitted comments.

Your Committees have amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 749, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 749, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 340 Health/Human Services on H.B. No. 326**

The purpose of this bill is to ensure for two years that Medicaid and QUEST health plans have the flexibility to provide appropriate health services through various means by specifying that:

- (1) A health plan under the Department of Human Services' (DHS) Medicaid or QUEST program does not require:
  - (A) Approval to deliver services using a telehealth service; or
  - (B) In-person visits to qualify any telehealth service for coverage;
- (2) DHS does not require the mobile medical van program operating in a county with a population of less than 250,000 people and operated by Kona Community Hospital will be funded through a partnership with a non-profit mutual benefit society operating in the State that provides health care coverage to at least 600,000 members.

This measure also defines "telehealth."

The Hawaii Medical Service Association, Kona Community Hospital, and the Hawaii Association of Health Plans testified in support of this bill. DHS opposed this measure.

Your Committees have amended this bill by:

- (1) Correcting a drafting error that inadvertently implied that DHS will not require the mobile medical van program to be funded through a partnership; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 326, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 326, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 341 Labor & Public Employment on H.B. No. 1434**

The purpose of this bill is ensure that a violation arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the prevailing wage law.

The Hawaii State AFL-CIO, International Brotherhood of Electrical Workers Local Union 1260, International Brotherhood of Electrical Workers Local Union 1186, Hawaii Laborers' Union, and ILWU Local 142 testified in support of this bill. DLIR and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the intent of this measure. The General Contractors Association of Hawaii opposed this bill.

Effectively enforcing the prevailing wage law is a priority and contractors should not be able to evade the law. However, your Committee finds that contractors can make an "honest" mistake on every project they are working on, and subsequently could be eliminated from being eligible to bid on state projects if they made the same mistake on three projects.

Your Committee amended this bill by:

- (1) Increasing the number of violations referring to each project in which DLIR finds that a contractor has failed to comply with the prevailing wage law from three to six; and
- (2) Allowing a contractor committing a violation to file a written notice of appeal and to be able to use an affirmative defense that the violation occurred unintentionally.

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. 1434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1434, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 342 Labor & Public Employment on H.B. No. 1037**

The purpose of this bill is to stabilize the Employees' Retirement System (ERS) and work to address its current accrued unfunded liability by specifically increasing the contribution rates for employer contributions to the ERS beginning in fiscal year 2013.

The ERS Board of Trustees and Hawaii Government Employees Association testified in support of this bill. The Department of Budget and Finance supported the intent of this measure. The City and County of Honolulu provided comments.

Currently, the ERS has an Unfunded Actuarial Accrued Liability (UAAL) of \$7.1 billion. Under Hawaii law, contribution rates to the ERS are subject to adjustment if the period required to amortize the UAAL of the ERS exceeds 30 years. According to the ERS's actuary, present contribution rates are not sufficient to amortize the UAAL in 30 years and the ERS faces a significant funding shortfall that must be made up with either increasing employer contributions, increasing employee contributions, decreasing employee benefits, or a combination of all three. This measure provides for moderate increases to the employer contribution rates over the next several years to address part of 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 H.B. No. 1037 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. 343 Labor & Public Employment on H.B. No. 1036**

The purpose of this bill is to protect the status of the Employees' Retirement System (ERS) as a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code (IRC) by adding a new section to Hawaii's ERS law to include provisions required by federal law. Among other things, this bill:

- (1) Inserts specific language into Hawaii's ERS law that addresses the requirements contained in the Heroes Earnings Assistance and Relief Tax Act of 2008 requiring a tax-qualified retirement plan to provide the survivors of a member with any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the member's ERS plan had the member resumed and then terminated employment on account of death in the case of a member who dies while performing qualified military service; and
- (2) Establishes the requirements for minimum pension distributions in accordance with section 401(a)(9) of the IRC.

The ERS Board of Trustees testified in support of this bill.

Hawaii's ERS is currently a tax-qualified retirement plan under the IRC. Loss of this status would be detrimental to both the ERS and its members, resulting in the pre-tax treatment on member contributions to be eliminated and requiring ERS members to pay federal income taxes annually on the value or increase in value of a member's account without receiving a distribution. This could amount to thousands of dollars in taxes for members. Because of this consequence, your Committee finds that passage of this measure to conform state law to federal requirements is extremely important.

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. 1036 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. 344 Labor & Public Employment on H.B. No. 1143**

The purpose of this bill is to work to lessen the rapidly rising public employees' contribution burden faced by the State and counties by:

- (1) Authorizing the Employees' Retirement System Board of Trustees (ERS Board) to set the investment return rate assumption, based on the recommendations of the actuary, after June 30, 2011; and
- (2) Reducing the current fiscal year investment return rate assumption from eight percent to seven point seventy-five percent.

The ERS Board testified in support of this bill. The Department of Budget and Fiscal Services of the City and County of Honolulu provided comments.

The ERS Board has the fiduciary responsibility of adopting actuarial assumptions that impact the funding of the Employees' Retirement System (ERS). While the ERS Board has the authority to adopt all of the assumptions made by the actuary, there is one exception: the investment return rate of the ERS. The investment return rate is statutorily established at eight percent. Although the ERS exceeded the eight percent return rate for five of the last ten years, difficulties faced by the financial markets have resulted in an average annual rate of return of three percent over that time period. With a slowly recovering economy, indications are that an investment return rate of eight percent will be difficult to achieve over the next ten years. This is important

because the investment return rate assumption is used to determine the funding level of the ERS and contribution rates for employers. Allowing the ERS Board to base the investment return rate assumption on the recommendations of the actuary will allow for a more realistic investment assumptions and provide stability to the finances of the ERS.

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. 1143 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. 345 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 169**

The purpose of this bill is to establish an optional total unemployment rate trigger.

Your Committees recognize the effects of Hawaii's unemployment rate, currently at 6.4 percent, on individuals' lost incomes, their purchasing power, and economic growth. Your Committees note that the optional total unemployment rate trigger would extend the benefit period if 100 percent federal sharing is available, to those unemployed.

Hawaii State AFL-CIO, ILWU Local 142, and the Hawaii Government Employees Association testified in support of this measure. The Department of Labor and Industrial Relations testified in support of the intent of this measure.

Your Committees have amended this bill by:

- (1) Appropriating \$145,000 for fiscal year 2011-2012 to create an automated extended benefit claims system;
- (2) Changing its effective date to January 1, 2012; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 169, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 169, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 346 Public Safety & Military Affairs on H.B. No. 121**

The purpose of this bill is to appropriate funds to help defray the operational expenses of the Hawaii Civil Air Patrol (HCAP).

The Oahu Veterans Council and numerous concerned individuals testified in support of this measure. The Hawaii Civil Air Patrol supported this measure with amendments. The Department of Defense and the HCAP - 66<sup>th</sup> Composite Squadron supported the intent of this bill. Several individuals offered comments.

Your Committee has amended this bill by clarifying provisions in its findings section, including:

- (1) The source of funding for HCAP for fiscal year 2007, a portion of which were federal monies;
- (2) The deletion of language referring to the absence of fixed base sirens at 80 percent of Hawaii's shoreline at the time of the February 27, 2010, tsunami; and
- (3) The role of HCAP in disaster relief efforts and activities it may be tasked to partake in.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 121, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 347 Economic Revitalization & Business on H.B. No. 1300**

The purpose of this bill is to:

- (1) Require the Department of Taxation (DOTAX) to establish, by July 1, 2011, an e-filing system to allow taxpayers to file all tax returns and other documents required under Title 14, Hawaii Revised Statutes, relating to taxation, by electronic, telephonic, or optical means; and
- (2) Change the filing and payment deadlines for the general excise tax from the 20th of the calendar month to the last day of the month.

DOTAX, The Hawaii Business League, and The Chamber of Commerce of Hawaii supported this bill. Tax Foundation of Hawaii submitted comments.



In light of testimony submitted by DOTAX on this bill, your Committee has amended this measure by:

- (1) Delaying the required implementation date for the e-filing system to no later than July 1, 2013;
- (2) Moving various other tax payment, filing, and report deadlines from the 20th of the month to the last day of the month to conform to the changes to the GET filing and payment deadlines;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 348 Economic Revitalization & Business on H.B. No. 1642**

The purpose of this bill is to support high technology research by extending the existing tax credit for research activities (Credit) to December 31, 2015. This bill also establishes an annual aggregate cap on the Credit.

Hawaii Strategic Development Corporation, the High Technology Development Corporation, The Chamber of Commerce of Hawaii, Oceanit, Pukoa Scientific, Hawaii Dual Use Industry, Eyekon Systems, LLC, and numerous concerned individuals supported this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that concerns were raised regarding the revenue impact of this measure and the lack of clarity regarding specific procedures to implement the annual aggregate cap on the Credit.

Your Committee intends to continue working on this measure and respectfully requests your Committee on Finance to address the aforementioned concerns as this bill moves forward in the legislative process.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1642, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 349 Economic Revitalization & Business on H.B. No. 364**

The purpose of this bill is to stimulate consumer spending by establishing an annual exemption from the general excise tax for amounts received from the retail sale of:

- (1) Books sold for less than \$50 per book;
- (2) Clothing items sold for less than \$100 per item;
- (3) Computers, computer software, and computer supplies sold for less than a total of \$1,500; and
- (4) School supplies sold for less than \$15 per item.

Retail Merchants of Hawaii and a concerned individual supported this bill. The Chamber of Commerce of Hawaii and the Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that during the public discussion on this matter, concerns were raised regarding the price limits on computer purchases contained in this measure that preclude purchases \$1,500 or greater from being eligible for the tax exemption. Your Committee respectfully requests your Committee on Finance to consider this issue as this bill moves forward in the legislative process.

In light of concerns raised in testimony, your Committee has amended this measure by:

- (1) Establishing that all savings generated by the tax exemption provided for in this section shall be passed on by the seller to the purchaser without any increase in price;
- (2) Specifying that the tax exemption provided for in this bill shall not apply to:

- (A) Rebates, layaway sales, rain checks, or exchanges, when the transactions occur before or after the tax exemption period; and
- (B) Mail, telephone, e-mail, or Internet orders with businesses operating outside the State;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 364, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 350 Economic Revitalization & Business on H.B. No. 986**

The purpose of this bill is to provide a dedicated funding source for the Creative Industries Division (Division) of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Requiring DBEDT to establish and collect a surcharge on each film permit approval and issuance; and
- (2) Specifying that revenues collected from the surcharge be deposited into the Hawaii Television and Film Development Special Fund (Special Fund) to be used for the Division.

DBEDT supported this bill. The Hawaii Film & Entertainment Board supported the intent of this measure.

In light of recommendations provided in testimony, your Committee has amended this measure by:

- (1) In lieu of each film permit approval and issuance, revising the surcharge by applying it to each film permit application processed by DBEDT;
- (2) In addition to the surcharge, specifying that revenues collected from:
  - (A) Rental of the Hawaii Film Studio;
  - (B) Film permit violation fees assessed by DBEDT; and
  - (C) Fees for processing tax incentive applications under the Motion Picture, Digital Media, and Film Production Income Tax Credit,

be deposited into the Special Fund and used to support the Division:

- (3) Clarifying that the Director of DBEDT shall determine the use of revenues collected from the surcharge and the sources listed in (2) to support the Division;
- (4) Inserting an appropriation amount to expend funds from the Special Fund;
- (5) Changing its effective date to July 1, 2112, to encourage further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 351 Economic Revitalization & Business on H.B. No. 962**

The purpose of this bill as received by your Committee is to exempt new businesses from the income tax.

Prior to the hearing, your Committee circulated a proposed draft of this bill that replaced its substance with provisions to conform state income tax law with section 179 of the Internal Revenue Code relating to the expensing of certain depreciable business assets. More specifically, the proposed draft deletes provisions in the state income tax law that list exceptions to the applicability of section 179.

The Department of Taxation (DOTAX) and the Tax Foundation of Hawaii submitted comments on the proposed draft of this bill.

Your Committee notes the concerns raised by DOTAX regarding the revenue impact of the proposed draft and respectfully requests your Committee on Finance to review this issue as this bill moves forward in the legislative process.

Your Committee has amended this measure as received by your Committee by:

- (1) Deleting its contents and adopting the provisions in the proposed draft circulated prior to the public hearing; and
- (2) Inserting an effective date of July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 962, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 352 Energy & Environmental Protection/Agriculture on H.B. No. 1019**

The purpose of this bill is to ensure Hawaii's energy and food security by increasing the allocated amounts for energy and food security from the environmental response, energy, and food security tax, more commonly known as the barrel tax.

Specifically, this measure increases the amount of the barrel tax deposited into:

- (1) The Energy Security Special Fund from 15 cents to 45 cents of the tax on each barrel; and
- (2) The Agricultural Development and Food Security Special Fund from 15 cents to 45 cents of the tax on each barrel.

The Department of Business, Economic Development, and Tourism, Department of Agriculture, Department of Taxation, University of Hawaii System, Kauai County Farm Bureau, Economic Development Alliance of Hawaii, Hawaii Business Roundtable, Blue Planet Foundation, Hawaii Solar Energy Association, Island Pacific Energy LLC, Rising Sun Solar+Electric, Sierra Club-Hawaii Chapter, Hawaii Farm Bureau Federation, RevoluSun LLC, Enterprise Honolulu, Lumen Solar LLC, and several concerned individuals testified in support of this bill. The Nature Conservancy of Hawaii and Windward Ahupua'a Alliance supported the intent of this measure and proposed amendments. The Tax Foundation of Hawaii provided comments.

As the most geographically isolated state in the country, Hawaii is dangerously dependent on imports for basic food and energy. It has been estimated that we rely on imports for about 85 percent of our food and 95 percent of our energy needs. This dependency is economically and environmentally unsustainable, and undertaking the important task of energy and food security requires a long-term commitment and investment of substantial financial resources.

Recognizing this, the Legislature enacted Act 73 during the Regular Session of 2010, which increased the per-barrel tax on petroleum products sold by distributors. Revenues generated from this tax were intended to support critical investments in clean energy and local agricultural production to reduce the State's dependence on imported fossil fuels and food products. Unfortunately, not all of the revenues generated were allocated for this purpose.

Your Committees find that it is in the best interests of Hawaii's people to develop the capacity to become energy and food self-sufficient and that the reallocation of barrel tax revenues to the Energy Security Special Fund and Agricultural Development and Food Security Special Fund will help achieve this goal.

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. 1019 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, Carroll, Chong and Har.

**SCRep. 353 Energy & Environmental Protection/Economic Revitalization & Business on H.B. No. 1281**

The purpose of this bill is to reduce Hawaii's reliance on imported fossil fuels and stimulate the creation of businesses and jobs in the renewable energy field by establishing a renewable energy enterprise zone program that will initially consist of a single pilot project renewable energy enterprise zone in Kalaeloa, Oahu.

The Department of Hawaiian Home Lands; Sopogy, Inc.; Blue Planet Foundation; Hawaiian Electric Company; Maui Electric Company; and Hawaii Electric Light Company testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) and Hawaii Community Development Authority supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation, relying on imported oil for more than 92 percent of its energy needs. This makes our state vulnerable to economic disruption in the event of upheavals in the world oil market.

On the other hand, Hawaii is blessed with an abundance of renewable energy resources, including wind, solar, hydropower, geothermal, and ocean technologies such as wave energy and thermal energy conversion, and current law already requires the establishment of policies designed to increase energy self-sufficiency and energy security, including the use of renewable resources. Establishing renewable energy enterprise zones in the State that provide a range of county and state incentives will not only work toward reducing our dependence on imported fossil fuels, but will also stimulate our economic recovery by stimulating business and creating jobs in the renewable energy field.

Yet, your Committees note that, according to DBEDT, since Enterprise Zones (EZ) already exist in Hawaii, a better option would be to simply allow renewable enterprise activities in the EZ rather than establishing an entirely new program. Accordingly, your Committees have amended this bill by

replacing its contents with language adding the production of electricity from solar energy for sale primarily to a public utility company for resale to the public as an eligible business activity in the EZ.

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1281, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1281, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Tokioka and Pine.

**SCRep. 354 Energy & Environmental Protection/Economic Revitalization & Business on H.B. No. 1364**

The purpose of this measure is to include energy and dietary supplement beverage containers in the deposit beverage container program.

The Department of Health, the Sierra Club, the Conservation Council for Hawaii, and six concerned individuals testified in support of the measure. The Grocery Manufacturers Association testified in opposition to the measure.

Your Committees find that the intended uses of energy and dietary supplement beverages are similar, if not identical, to the intended use of other beverages that are subject to the deposit beverage container program. Accordingly, these beverage containers should also be included in the program.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1364 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Chang, Chong, Ito and Nakashima.

**SCRep. 355 Energy & Environmental Protection on H.B. No. 1520**

The purpose of this bill is to support the State's overall clean energy objectives by:

- (1) Specifying that third-party owners and operators of on-site solar heat and energy generating systems are exempt from being regulated as a public utility; and
- (2) Requiring the Public Utilities Commission (PUC) to monitor the impact of the growth of non-utility renewable energy providers on existing electric utility ratepayers.

The Solar Alliance, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and SolarCity testified in support of this bill. The Chair of the PUC provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation despite having some of the most diversified renewable energy options and sources in the world. With our abundance of sunshine, solar energy represents an immediately available and substantial renewable energy opportunity. Unfortunately, financial barriers often prohibit Hawaii residents and businesses from purchasing solar energy systems. Third-party suppliers of solar energy may offer these individuals an alternative. However, third-party suppliers of solar energy should not be confused with a public utility in that they provide supplemental power to a customer who generally remains on the electric public utility grid. This measure clarifies this matter.

Your Committee notes, however, that forms of renewable energy systems, other than solar, may currently exist and should be included in this exemption. As such, your Committee has amended this bill by:

- (1) Applying the exemption from public utility regulation to renewable energy systems, rather than just solar energy systems, and replacing the definition of "solar energy system" with "renewable energy system";
- (2) Requiring, for purposes of the exemption, that the renewable energy system be located on another person's property, rather than a customer's property, and that electricity from the system be provided, sold, or transmitted exclusively to the property owner or to an electric utility, or both;
- (3) Amending the monitoring requirements of the PUC to include:
  - (A) The impact of net energy metering, including accounting of costs and benefits on electric utility ratepayers to minimize adverse impacts; and
  - (B) Information from both the utility and renewable energy provider;
 and
- (4) Amending the purpose section of the bill to reflect these changes.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1520, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 356 Water, Land, & Ocean Resources on H.B. No. 262**

The purpose of this bill is to increase the accessibility to Hawaii's natural beauty while enhancing public safety and making these areas safer by making permanent:

- (1) The liability protections for counties and county lifeguards while providing rescue, resuscitation, and other lifeguard services on the beach or in the ocean at State beach parks; and
- (2) The liability protections for the State and counties for incidents arising on improved public lands when certain warning requirements are met.

The Department of Land and Natural Resources, Department of the Attorney General, City and County of Honolulu, Emergency Services Department of the City and County of Honolulu, Office of the Corporation Counsel of the County of Hawaii, Hawaii County Fire Department, Kauai County Fire Department, Honolulu Fire Department, State Fire Council, and a concerned individual testified in support of this bill. The Hawaii Association for Justice opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 262 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 and Chong.

**SCRep. 357 Water, Land, & Ocean Resources on H.B. No. 1408**

The purpose of this bill is to establish a controlling interest transfer tax imposed at the rate set under the conveyance tax, to be administered by the Director of Taxation on any transfer of interest of more than 50 percent in an entity holding real property in the State.

The Department of Taxation supported the intent of this measure. Tax Foundation of Hawaii and the Hawaii Association of REALTORS 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. 1408 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, Chong and Thielen.

**SCRep. 358 Higher Education on H.B. No. 1322**

The purpose of this bill is to help create increased efficiency in the use and management of certain funds of the University of Hawaii (UH) by reclassifying and repealing certain revolving and special funds.

UH supported this bill.

Your Committee has amended this measure by:

- (1) Repealing the Conference Center Revolving Fund, established under section 304A-2264, Hawaii Revised Statutes, and re-directing those funds into the UH Commercial Enterprises Revolving Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1322, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 359 Higher Education on H.B. No. 1323**

The purpose of this bill is to help improve the return rates of Hawaii residents who receive state support to study in certain professional programs that are not provided in the State through the University of Hawaii system by providing the Hawaii Western Interstate Commission for Higher Education (WICHE) with the authority to establish a repayment policy for students who receive support through the WICHE Professional Student Exchange Program (PSEP). This bill also more clearly delineates the Hawaii WICHE, and establishes a special fund to facilitate the repayment program.

WICHE supported the intent of this bill. The Department of Budget and Finance provided comments.

Your Committee notes that certain factors must be considered in the development of a new special fund, including the types of deposits the special fund is authorized to accept. Your Committee feels, however, that these considerations are beyond its purview and respectfully requests the Committee on Finance to review the establishment of the special fund in this measure to ensure that it is structured to function in the intended manner.

Your Committee has amended this bill by:

- (1) Clarifying that the Hawaii Commissioners are appointed both as the commissioners from the State to WICHE and as Hawaii Commissioners to the Hawaii WICHE;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 1323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1323, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 360 Higher Education on H.B. No. 1603**

The purpose of this bill is to provide the University of Hawaii (UH) with the additional financial flexibility it needs to continue to improve and maintain its facilities by authorizing UH to issue an additional \$100,000,000 in revenue bonds.

UH supported this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1603 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 361 Labor & Public Employment on H.B. No. 1142**

The purpose of this bill is to establish the retirement age for state and county employees who become members of the Employees' Retirement System (ERS) after June 30, 2012.

Your Committee recognizes that increasing health care costs, rising public employer pension contributions, and mounting budget pressures to contain costs threaten the soundness of ERS benefits to employees. It is your Committee's intent to contemplate various options to facilitate further discussion to meet the financial costs of pension coverage and sustain public employee benefits over the long term.

The ERS and ERS Board of Trustees testified in support of this measure. The City and County of Honolulu Department of Budget & Fiscal Services submitted comments. The Maui Police Department opposed the bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1142 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 362 Labor & Public Employment/Public Safety & Military Affairs on H.B. No. 1167**

The purpose of this bill is to establish the State Law Enforcement Officer Collective Bargaining Unit. This bill also prohibits the Hawaii Labor Relations Board from directing an election where a new bargaining unit is created, composed of employees currently covered by a valid collective bargaining agreement.

The Hawaii Government Employees Association and numerous concerned individuals supported this measure.

State law enforcement employees are currently represented by bargaining units designated for secretaries and clerks. Law enforcement officers have specific needs and issues that are unique from white collar positions. A new bargaining unit will provide for the proper collective bargaining representation exclusively for state law enforcement officers.

Your Committees recommend that the Finance Committee consider combining the bargaining units of:

- (1) State law enforcement officers; and
- (2) First responder medical personnel and water safety officers employed by the State or counties.

For reference, in addition to this bill, H.B. No. 1406, also introduced this session, establishes new collective bargaining units for first responder medical personnel and water safety officers.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1167 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Fontaine and Johanson.

**SCRep. 363 Labor & Public Employment/Public Safety & Military Affairs on H.B. No. 1406**

The purpose of this bill is to create a new bargaining unit for emergency first responder medical personnel and water safety officers employed by the State or counties.

The Hawaiian Lifeguard Association, the Kauai Lifeguard Association, and numerous concerned individuals supported this bill.

First responder medical personnel and water safety officers employed by the State or counties are currently represented by bargaining units designated for secretaries and clerks. First responder medical personnel and water safety officers have specific needs and issues that are unique from white collar positions. A new bargaining unit will provide for the proper collective bargaining representation exclusively for first responder medical personnel and water safety officers.

Your Committees recommend that the Finance Committee consider combining the bargaining units of:

- (1) First responder medical personnel and water safety officers employed by the State or counties; and
- (2) State law enforcement officers.

For reference, in addition to this bill, H.B. No. 1167, also introduced this session, establishes new collective bargaining units for state law enforcement officers.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1406 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Fontaine and Johanson.

**SCRep. 364 Public Safety & Military Affairs on H.B. No. 1107**

The purpose of this bill is to authorize members of the Hawaii National Guard to use non-lethal weapons, including electric guns, to support civil authorities in disaster relief, civil defense, or law enforcement functions.

The State Department of Defense and The Oahu Veterans Council testified in support of this measure. The American Civil Liberties Union of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1107 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 Takumi.

**SCRep. 365 Public Safety & Military Affairs on H.B. No. 49**

The purpose of this bill is to authorize the federally prescribed DD Form 93, or its successor form, as an acceptable method of determining the person authorized to direct the disposition of an armed forces service member's remains.

The State Department of Defense and The Oahu Veteran's Council testified in support of this measure. The United States Department of Defense State Liaison Office provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 49 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 Takumi.

**SCRep. 366 Public Safety & Military Affairs on H.B. No. 681**

The purpose of this bill is to allow active members of the United States National Guard and Army Reserve who desire to run for office to file nomination papers and take their oaths by mail.

The State Department of Defense and The Oahu Veterans Council testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 681 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 Takumi.

**SCRep. 367 Health on H.B. No. 714**

The purpose of this bill is to ensure that planning for health services and facilities in the State adequately addresses existing needs by:

- (1) Clarifying the State Health Services and Facilities Plan (Plan); and
- (2) Requiring that adoption of or amendment to the Plan be conducted according to established rulemaking procedures under Chapter 91, Hawaii Revised Statutes.

The Queen's Medical Center and several concerned individuals supported this bill. The Department of Health and Kaiser Permanente opposed this measure.

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 H.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 714, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 368 Health on H.B. No. 608**

The purpose of this bill is to help ensure that organ transplant patients are able to remain in the Islands near their support networks by appropriating general revenues to support ongoing services provided by a qualified provider to perform kidney and liver transplants and support a chronic kidney disease management program.

The National Kidney Foundation of Hawaii and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Removing language that refers to the appropriation as a grant; and
- (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. 608, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 608, H.D. 2, and be referred to the Committee on Finance.

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

**SCRep. 369 Health on H.B. No. 414**

The purpose of this bill is to increase the availability of dental services by prohibiting mutual benefits societies, health maintenance organizations, and dental service organizations (dental benefits carriers) from requiring a participating dentist to provide dental services to an enrolled patient at a fee set by or subject to the approval of the dental benefits carrier for services that are not covered under the dental service plan.

Hawaii Dental Association and numerous concerned individuals testified in support of this bill. Hawaii Association of Health Plans, Hawaii Medical Service Association, and Hawaii Dental Service testified in opposition to this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by changing its effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 414, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.



**SCRep. 370 Health on H.B. No. 903**

The purpose of this bill is to prohibit the sale or distribution of caffeinated liquor labeled as a "pre-mixed drink".

Hawaii Substance Abuse Coalition submitted testimony in support of this bill. The Distilled Spirits Council of the United States (Council) supported the intent of this bill and suggested an amendment.

Your Committee has amended this bill by changing the language referring to "caffeinated liquor" to refer to "caffeinated beer beverage", as suggested by the Council, with the additional requirement that "caffeinated beer beverages" means only those beverages containing at least one-half of one percent caffeine by volume.

As affirmed by the 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. 903, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 903, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 371 Consumer Protection & Commerce on H.B. No. 880**

The purpose of this bill is to enable public utilities to file rates, fares, charges, classifications, schedules, rules, and practices with the Public Utilities Commission (Commission) by electronic transmission.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs testified in support of this bill. Hawaiian Telcom testified in support of this measure, with suggested amendments. The Commission opposed the measure.

Your Committee has amended this bill by:

- (1) Defining "electronic transmission" as any electronic data transfer implemented by the Commission that allows the Commission to accept electronic document files;
- (2) Including an unspecified appropriation amount from the Commission's Special Fund for computer modernization upgrades to allow the commission to accept electronic filings;
- (3) Changing its effective date to July 1, 2011; 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. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 880, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Ito, Morita, Ching and Thielen.

**SCRep. 372 Consumer Protection & Commerce on H.B. No. 1049**

The purpose of this bill is to update the Insurance Code, Chapter 431, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs testified in strong support of this bill. The Property Casualty Insurers Association of America testified in opposition to this bill. The Hawaii Medical Service Association and the American Council of Life Insurers submitted comments.

Your Committee has amended this bill by:

- (1) Increasing the time, from 30 calendar days to 75 calendar days, in which the Commissioner can grant or deny approval of a request after automatic approval occurs; and
- (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. 1049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1049, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 373 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 1109**

The purpose of this bill is to allow an employee with a family member in the United States armed forces who is on active duty or notified of a call to active duty, to use family leave for certain activities that would qualify as an exigency under federal law.

The Department of Labor and Industrial Relations and The Oahu Veterans Council testified in support of this measure. The State Department of Defense supported the intent of this bill.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1109 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 374            Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 965**

The purpose of this bill is to authorize the establishment of two staff positions for the State Fire Council to accomplish its statutory duties and responsibilities. This measure also requires the positions to be funded by the annual budgets of the Department of Labor and Industrial Relations.

The State Fire Council, Honolulu Fire Department, and the Department of Fire and Public Safety of the County of Maui testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 965 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 375            Judiciary on H.B. No. 251**

The purpose of this bill is to include specified department heads, administrative directors, and other high-level elected or appointed state officials and employees to those required to complete a mandatory ethics course with the State Ethics Commission within 60 days of their election or appointment.

The Hawaii State Ethics Commission and Common Cause testified in support of this measure. The University of Hawaii System offered comments on this bill.

Your Committee has amended this bill by:

- (1) Changing the requirement that the ethics training course last at least two hours in length to require that the ethics training course last no more than two hours in length;
- (2) Clarifying the titles of certain positions for accuracy; and
- (3) Changing the effective date to January 1, 2059, 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. 251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 251, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 376            Judiciary on H.B. No. 1004**

The purpose of this bill is to respond to an adverse federal court ruling on a 2007 California case that dismissed with prejudice the claims of certain states, including Hawaii, as indirect purchasers by amending Hawaii's law on monopolies and restraint of trade (Chapter 480, Hawaii Revised Statutes) to:

- (1) Expressly provide that whenever the State or any county is injured in its business or property, directly or indirectly, by any action prohibited under the chapter, it may sue to recover threefold the actual damages sustained; and
- (2) Clarifying that any civil action under the chapter may be brought in any appropriate forum to ensure that the State can pursue its claims in both in-state and out-of-state courts.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004 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, Ito and McKelvey.

**SCRep. 377            Judiciary on H.B. No. 828**

The purpose of this bill is to help clarify procedures associated with the tax administration of the cash economy by, among other things:

- (1) Establishing conditions to inspect records and receipts relating to cash business transactions;
- (2) Clarifying state of mind for the violation of record and receipt requirements;

- (3) Requiring maintenance of a contemporaneously generated record of all business transactions conducted each day; and
- (4) Permitting records to be prepared by hand or by cash register.

The Department of Taxation opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 828, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 828, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 378          Judiciary on H.B. No. 1011**

The purpose of this bill is to assist the Attorney General in prosecuting civil claims of the State by provided a dedicated revenue stream for the Attorney General to pursue claims for the public good. Among other things, this measure:

- (1) Requires all proceeds from any civil action or settlement of a civil claim initiated or prosecuted by the attorney general or where such action was filed by the attorney general, including recoveries from false claims actions, except when the deposit is inconsistent with the court order or settlement agreement relating to the amount, to be deposited into the Litigation Deposits Trust Fund (Fund);
- (2) Provides exemptions to the requirement of item (1) above for recoveries for certain specific funds; and
- (3) Enables the Attorney General to retain and deposit into the Fund 33 percent of any recovery from any civil action or settlement of a civil claim initiated or prosecuted by the Attorney General to be used for staffing, expenses, equipment, and educational resources.

This measure also:

- (1) Stipulates that all unencumbered and unexpended monies in excess of \$1,000,000 remaining on balance in the Fund at the close of June 30 of each year shall lapse to the credit of the General Fund;
- (2) Clarifies that the requirements contained in this bill shall not be applicable if they would cause a violation of a federal law or a federal grant agreement; and
- (3) Requires the Attorney General to submit a report to the Legislature no later than 20 days prior to the convening of each regular session to provide an accounting of the receipts and expenditures of the Fund.

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

Your Committee has amended this bill by:

- (1) Changing its effective date from July 1, 2011, to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1011, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 379          Judiciary on H.B. No. 100**

The purpose of this bill is to increase the level of participation in Hawaii's primary election and thereby influence interest in the general election by creating an election by mail system to be used as the principal method of casting votes in a federal, state, and county primary or special primary election.

The Disability and Communication Access Board Hawaii, Hawaii Laborers' Union, Americans for Democratic Action, Common Cause, and a concerned individual testified in support of this bill. The Executive Director and Chair of the Democratic Party of Hawaii supported the intent of this measure. The Office of Elections and Office of the City Clerk of the City and County of Honolulu commented on this bill.

Your Committee has amended this measure by:

- (1) Further clarifying the election by mail system by expressly defining "election by mail";

- (2) Changing the number of walk-in locations to be open on primary election day from not less than one on each island to not less than one in each representative district;
- (3) Adding delivery to the methods by which a ballot may be obtained by an individual;
- (4) Requiring the chief election officer, or the county clerk in a county election, to provide a suitable polling place for each precinct in a general election, and for not less than one location in each representative district for a primary election;
- (5) Changing the effective date to January 7, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive revisions 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. 100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 380 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 117**

The purpose of this bill is to allow for the expeditious processing and approval of minor development projects by increasing the valuation threshold for the review of minor projects within special management areas.

The Department of Planning and Permitting of the City and County of Honolulu, Land Use Research Foundation of Hawaii, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Hawaiian Telcom supported this bill. The Office of Planning supported the intent of this measure. The Office of Hawaiian Affairs and several concerned individuals opposed this bill.

Your Committees have amended this bill by:

- (1) Repealing the valuation thresholds for the review of minor projects within special management areas;
- (2) Changing the effective date to July 1, 3000, 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 Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 117, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 117, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Chong.

**SCRep. 381 Water, Land, & Ocean Resources on H.B. No. 496**

The purpose of this bill is to increase the use value, both agricultural and recreational, of Wahiawa reservoir, commonly known as Lake Wilson, by establishing a pilot project using marine phytoremediation that uses plants native to Hawaii to remove pollutants and improve the water quality to acceptable levels.

The Office of Hawaiian Affairs and several concerned individuals supported this bill. The Department of Land and Natural Resources 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 496 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 and Chong.

**SCRep. 382 Water, Land, & Ocean Resources on H.B. No. 227**

The purpose of this bill is to allow a person to enter and remain on unimproved and apparently unused land that is not enclosed to keep out intruders without committing the offense of second degree trespass, unless otherwise personally notified by the owner of the land or the owner's agent, or by a conspicuously posted sign.

Kamehameha Schools; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; and the Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. A concerned individual opposed this bill.

Your Committee has amended this bill to include entering or remaining on agricultural lands that are fallow or have evidence of livestock at the time of entry in the offense of trespass in the second degree.

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. 227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 227, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 383 Water, Land, & Ocean Resources on H.B. No. 578**

The purpose of this bill is to protect Hawaii's natural ecosystem by establishing civil penalties for shark feeding, including:

- (1) The seizure and forfeiture of any commercial marine license, vessel, and fishing equipment; and
- (2) An administrative fine of at least \$5,000 and not more than \$15,000.

Safe Waters for Hawaii and a concerned individual supported this bill. North Shore Shark Adventures and several concerned individuals opposed this measure. The Department of Land and Natural Resources offered comments.

After careful consideration, your Committee has amended this bill by:

- (1) Eliminating the seizure and forfeiture of any commercial marine license, vessel, and fishing equipment; but
- (2) Retaining the administrative fine,

as a civil penalty for shark feeding.

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. 578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 578, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Chong.

**SCRep. 384 Water, Land, & Ocean Resources on H.B. No. 1020**

The purpose of this bill is to address concerns raised by the Department of Transportation (DOT) regarding, among other things, the jurisdiction of the Hawaii Community Development Authority (HCDA) and the resolution of debt and other financial issues concerning the Aloha Tower Complex by:

- (1) Establishing the Aloha Tower Complex area and designating the boundaries of the area to be controlled by HCDA;
- (2) Stipulating that DOT shall be responsible for the implementation of the harbors modernization plan;
- (3) Transferring all rights, powers, functions, duties, and assets, including leases, of the Aloha Tower Development Corporation to HCDA;
- (4) Transferring the Aloha Tower Fund to HCDA; and
- (5) Appropriating an unspecified amount of funds out of the Aloha Tower Fund for the operating expenses of HCDA.

DOT testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill. HCDA and the Hawaii Harbors Users Group provided comments.

Your Committee has amended this measure by changing its effective date to January 1, 3000, to encourage further discussion.

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. 1020, 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. 1020, H.D. 2.

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

**SCRep. 385 Water, Land, & Ocean Resources on H.B. No. 625**

The purpose of this bill is to help ensure that state land is used for the best possible purpose by:

- (1) Requiring land and facilities under the jurisdiction of the Department of Education (DOE) that are not being used for school purposes to be transferred to the Department of Land and Natural Resources (DLNR); and
- (2) Making the land and facilities available for alternative use by charter schools or certain other education programs, or the county where the land or building is located.

This bill also requires DOE to consult with the Board of Land and Natural Resources prior to the final transfer of land.

DLNR, DOE, the Office of Hawaiian Affairs, and Ho'okāko'o Corporation testified in support of this bill. The Charter School Administrative Office supported the intent of this measure. The Mayor of the City and County of Honolulu provided comments.

Your Committee notes that this measure applies only to state lands and not county lands.

Your Committee has amended this bill by clarifying that the transferred lands first be made available to the specified entities.

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. 625, 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. 625, H.D. 2.

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

**SCRep. 386 Human Services/Health on H.B. No. 561**

The purpose of this bill is to ensure that government-funded health care services are only being provided to those in need by:

- (1) Requiring QUEST or QUEST-net contracted health plans to notify the Department of Human Services (DHS) when members are found to be receiving coverage under a private plan as well; and
- (2) Stipulating that when a person covered by insurance through QUEST or QUEST-net also has health insurance coverage through a private health insurance plan, the private health insurance plan shall be the primary payor of any covered claims.

DHS and Hawaii Medical Service Association testified in support of the intent of this bill. AlohaCare testified in opposition to this measure.

Your Committees have amended this bill by changing its effective date to July 1, 2050.

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. 561, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 561, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 387 Human Services/Health on H.B. No. 569**

The purpose of this bill is to:

- (1) Require recipients of medical assistance under any Medicaid program administered by the Department of Human Services (DHS), including any Medicaid waiver program, to re-enroll in such Medicaid program every year;
- (2) Eliminate any automatic re-enrollment process or program for any recipient of medical assistance under any Medicaid program administered by DHS beginning January 1, 2014; and
- (3) Require the parent or legal guardian of a minor receiving medical assistance under any Medicaid program administered by DHS, including any Medicaid waiver program, to be responsible for re-enrolling in such Medicaid program on behalf of the minor.

DHS and the Alliance of Residential Care Administrators testified in support of this bill. AlohaCare opposed this measure. A concerned individual provided comments.

Your Committees have amended this bill by:

- (1) Establishing a joint legislative task force on Medicaid to examine issues relating to Medicaid;
- (2) Requiring reimbursement for reason of parity for Medicaid beneficiaries categorized in the same or equivalent level of care, living in a community based facility, whether a licensed community care foster family home or licensed adult residential care home; and
- (3) 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 569, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 569, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 388 Human Services/Health on H.B. No. 595**

The purpose of this bill is to increase Medicaid reimbursement rates so that:

- (1) Rates for patients occupying acute care licensed beds who are waitlisted for long-term care are at least equal to the rate paid for acute care services; and

- (2) Rates for patients with medically complex conditions occupying long-term care beds who had been receiving acute care services in an acute care facility are at least equal to the rate paid for subacute care services.

The Queen's Medical Center, Kaiser Permanente Hawaii, the Healthcare Association of Hawaii, the Hawaii Disability Rights Center, Hawaii Pacific Health, and The Chamber of Commerce of Hawaii supported this bill. The Department of Human Services opposed the measure.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 595 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 389 Human Services on H.B. No. 718**

The purpose of this bill is to assist former foster youth in living in a safe and secure environment when transitioning to adulthood by requiring the Department of Human Services (DHS) to develop and administer a program to assist former foster youth who have attained the age of 18 with finding and retaining housing.

The Office of Hawaiian Affairs, Hawaii Youth Services Network, and Hawaii Foster Youth Coalition testified in support of this bill. The Hawaii Family Forum supported the intent of this measure. DHS opposed this bill.

Your Committee has amended this bill by:

- (1) Allowing, rather than requiring, DHS to develop and administer a housing assistance program for former foster youth;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 718, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Wooley.

**SCRep. 390 Human Services on H.B. No. 161**

The purpose of this bill is to require a report to be submitted by the Department of Human Services (DHS) to the Legislature prior to the 2012 Regular Session concerning contracts awarded during the period from January 1, 2007, to June 30, 2011, to nonprofit organizations that provide domestic violence services for domestic violence victims that includes:

- (1) A description of the process used to award contracts;
- (2) A list of contract awardees and the amount of funds awarded to each organization; and
- (3) The number of victims receiving domestic violence services and types of assistance received.

DHS submitted comments on this bill.

Your Committee acknowledges that DHS will willingly provide the information requested in this bill before the next legislative session.

Your Committee has amended this bill by:

- (1) Changing the reporting period to coincide with the state fiscal year from July 1, 2007, to June 30, 2011; and
- (2) Changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Wooley.

**SCRep. 391 Human Services on H.B. No. 497**

The purpose of this bill is to establish sex trafficking as a felony offense and to protect victims of sex trafficking by:

- (1) Establishing class A and class B felony sex trafficking offenses;

- (2) Establishing the affirmative defense to any prosecution for prostitution that the sexual conduct occurred through force, fraud, or coercion; and
- (3) Requiring the Attorney General to give priority to providing protection or funds to witnesses in any official proceeding or investigation involving sex trafficking.

The Office of Community Services of the Department of Labor and Industrial Relations, Hawaii Family Forum, Hawaii Catholic Conference, 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. 497 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, C. Lee and Wooley.

**SCRep. 392 Human Services on H.B. No. 734**

The purpose of this bill is to address the issue of poverty in Hawaii by establishing the Economic Opportunity Poverty Reduction Task Force (Task Force) to study and evaluate issues relating to poverty, and develop a strategic, integrated, and comprehensive plan to expand economic opportunities and reduce, by at least 50 percent by 2021, the number of Hawaii residents living in poverty.

A concerned individual testified in support of this bill. A concerned individual submitted comments.

Your Committee emphasizes that there are no appropriations being requested nor required for this measure.

Your Committee has amended this bill by:

- (1) Changing the makeup of the membership of the Task Force by:
  - (A) Reducing the number of members of the House of Representatives appointed by the Speaker of the House to one and eliminating the process by which the Speaker of the House acquires nominees;
  - (B) Reducing the number of members of the Senate appointed by the Senate President to one and eliminating the process by which the Senate President acquires nominees;
  - (C) Adding one member of a community organization with expertise in poverty reduction or asset building chosen by the Speaker of the House from a list of three organizations submitted by the Majority Leader of the House; and
  - (D) Adding one member of a community organization with expertise in poverty reduction or asset building chosen by the Senate President from a list of three organizations submitted by the Majority Leader of the Senate;
- (2) Allowing instead of requiring the Task Force to appoint subcommittees to advise the Task Force in completing its duties;
- (3) Changing the due dates for the submission of an annual written report prepared by the Task Force to the Legislature to December 22, 2011, and December 22, 2012;
- (4) Changing the termination date of the Task Force to December 22, 2012;
- (5) Removing the appropriation for operational expenses of the Task Force; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734, 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. 734, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Yamane and Ching.

**SCRep. 393 Human Services on H.B. No. 238**

The purpose of this bill is to better protect victims of domestic violence by increasing the minimum jail time and fines that may be imposed for a first time violation of a temporary restraining order on an individual with any prior convictions for certain crimes of violence and sexual assault against a family or household member.

The City and County of Honolulu Department of the Prosecuting Attorney (Prosecutor), Honolulu Police Department, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, and a concerned citizen testified in support of this measure. The Office of the Public Defender (Public Defender) opposed this bill.

Your Committee notes the concerns of the Public Defender that this bill will limit the court's discretion in sentencing and will force jail time in the face of efforts to alleviate overcrowding in prison facilities. Your Committee also notes that the Prosecutor requested that all of the language in House Bill No. 239 be included as part two in this bill.



Given the gravity of problem of domestic violence within the community and in light of the disparate positions taken by the Prosecutor and Public Defender, your Committee has determined the measure requires serious consideration and further discussion.

Accordingly, your Committee has amended this measure 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 238, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Wooley.

**SCRep. 394 Human Services on H.B. No. 909**

The purpose of this bill is to provide effective procedures for property division pursuant to a divorce while simplifying and codifying existing law to ensure consistency, lower barriers to justice, and to assist practitioners and pro se litigants with family court divorce cases by:

- (1) Adding definitions for clarity and consistency in the creation of dissipation statutory guidelines;
- (2) Creating statutory language pertaining to marital partnership and property division that, among other things:
  - (A) Provides that the date of property valuation of marital property for division and the commencement of the marital partnership winding up period is the date of the dissolution of the marital partnership;
  - (B) Explains the fiduciary duty of loyalty and the duty of care that each party owes the marital partnership during the marital partnership winding up period;
  - (C) Specifies when a chargeable reduction of the dollar value of the marital estates occurs and when the dollar value of the chargeable reduction can be added to the dollar value of the marital estate; and
  - (D) Establishes that both spouses are both debtor and creditor to each other for the purposes of the Uniform Fraudulent Transfer Act during the dissolution and winding up of the marital partnership;
- (3) Requiring that when a complaint for annulment, divorce, or separation is filed, each of the parties timely provide to the other party full financial and property disclosure on forms provided by the court; and
- (4) Removing existing statutory language that a divorced spouse is not entitled to dower or curtesy in the former spouse's real estate, or any part thereof, nor to any share of the former spouse's personal estate following the dissolution of marriage.

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

Your Committee has amended this bill by:

- (1) Deleting the definitions of "marital partnership property" and "marital separate property";
- (2) Changing the definition of "date of the dissolution of the marital partnership" by deleting the date at which one or both of the parties demonstrated their express will to withdraw from the marital partnership;
- (3) Providing that the date of valuation of marital property for division is the date of the filing of the complaint for divorce instead of the date of the dissolution of the marital partnership;
- (4) Eliminating the characterization of spouses as debtors and creditors during the dissolution and winding up of the marital partnership;
- (5) Restoring existing statutory language that a divorced spouse is not entitled to dower or curtesy in the former spouse's real estate, or any part thereof, nor to any share of the former spouse's personal estate following the dissolution of marriage;
- (6) Changing the effective date to July 1, 2050, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 909, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 395 Consumer Protection & Commerce/Judiciary on H.B. No. 1006**

The purpose of this bill is to amend Hawaii's charitable solicitation law by, among other things:

- (1) Establishing the Department of the Attorney General (AG) as the default agent for service of process in investigations and other proceedings, when the organization does not have a registered agent with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allowing the AG to issue a cease and desist order to any charitable organization found to be soliciting contributions in violation of the law;
- (3) Clarifying requirements for the filing of annual financial reports and fiscal records and fees; and
- (4) Exempting certain charitable educational institutions from the registration and financial disclosure requirements.

DCCA, Hawaii Association of Independent Schools, and The Nature Conservancy of Hawaii testified in support of this bill. The AG supported this measure with amendments.

Your Committees have amended this bill by:

- (1) Clarifying that charitable organization financial reports are based on the total amount of gross revenues, rather than income and receipts;
- (2) Decreasing the amounts of filing fees, based on gross revenues, as follows:
  - (A) \$300 to \$250, for gross revenues between \$1,000,000 and less than \$2,000,000;
  - (B) \$500 to \$350, for gross revenues between \$2,000,000 and less than \$5,000,000; and
  - (C) \$750 to \$600, for gross revenues \$5,000,000 or more;
- (3) Adding the National Association for the Education of Young Children to the list of organizations that license or accredit educational institutions that are exempt from the registration and financial disclosure requirements; 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 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. 1006, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey, Morita and B. Oshiro.

**SCRep. 396            Judiciary on H.B. No. 1613**

The purpose of this bill is to help encourage voter participation by:

- (1) Requiring an application to vote, including a mail-in application to vote, to include an option for a permanent absentee ballot; and
- (2) Removing the time limit to request an absentee or permanent absentee ballot, provided the request is made prior to 4:30 p.m. on the seventh day prior to the election.

Common Cause Hawaii, the American Civil Liberties Union of Hawaii, and a concerned individual supported this bill. The Office of Elections and Office of the County Clerk of the County of Maui provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1613, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 397            Judiciary on H.B. No. 1532**

The purpose of this bill is to help alleviate unnecessary appeals to the Tax Appeal Court by requiring taxpayers who wish to appeal a real property tax assessment to first obtain a decision from an appropriate county administrative body.

The Real Property Tax Division of Maui County, Mayor of Maui County, a member of the County Council of Maui County, and a concerned individual supported this bill. The City and County of Honolulu and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Requiring a real property tax assessment appellant to obtain an initial decision from an administrative body established by the county when required to do so by county 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1532, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 398 Consumer Protection & Commerce on H.B. No. 1133**

The purpose of this bill is to increase the penalty for persons who are convicted of practicing veterinary medicine without a license, by changing the penalty to a Class C felony.

The Secretary of the Boxer Club of Hawaii, Poi Dogs & Popoki, and a concerned individual testified in support of this bill. The Board of Veterinary Examiners submitted comments.

Upon consideration, your Committee has amended this bill by:

- (1) Clarifying who is subject to the Class C felony, to mean persons convicted of practicing veterinary medicine without a license, and intentionally or knowingly performing veterinary procedures on a pet animal in a cruel or inhumane manner;
- (2) Defining "pet animal" under the veterinary medicine law;
- (3) Clarifying that in addition to the criminal penalties specified above, all materials, equipment, and appurtenances used in the practice of veterinary medicine without a license, shall be forfeited to the State and turned over to the Board of Veterinary Examiners;
- (4) Clarifying that cruelty to animals in the first degree does not apply to:
  - (A) Accepted veterinary practices with respect to practicing without a license; and
  - (B) Cropping or docking as customarily practiced unless performed for compensation by a person not licensed as a veterinarian;

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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1133, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 399 Consumer Protection & Commerce on H.B. No. 663**

The purpose of this bill is to increase consumer protections by requiring that all contracts with automatic renewal clauses provide clear disclosure of the renewal provisions at the inception of the contract and immediately prior to the renewal.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of the intent of this bill and offered alternative language that would provide stronger protections for consumers.

Your Committee has amended this measure by inserting new language that will require the person selling the product or service pursuant to an automatically renewing contract to not only disclose the automatic renewal clause clearly and conspicuously in the contract but to also notify a consumer with a contract term of 12 months or more of the automatic renewal in writing within a specified time frame.

Your Committee also amended this bill by:

- (1) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for consistency, 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. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 663, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Ito and McKelvey.

**SCRep. 400 Education on H.B. No. 198**

The purpose of this bill is to increase schools' opportunities to include fresh produce in the school meals program by authorizing schools to:

- (1) Grow food in school gardens for consumption in the school meals program; and
- (2) Purchase fresh local produce under the school meals program.

The Department of Education and a concerned individual provided comments on this measure.

Your Committee has amended this bill by:

- (1) Removing provisions authorizing the purchase of fresh local produce;
- (2) Requiring that food grown in a school garden and used in a school meals program be inspected and certified as safe by the Department of Agriculture; 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. 198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 198, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 401 Labor & Public Employment on H.B. No. 824**

The purpose of this bill is to address the unfunded accrued liability of the Employees' Retirement System (ERS) by requiring that an amount equivalent to the unfunded accrued liability contribution by the State for state employees during a fiscal year, be set aside from general excise tax revenues for deposit in that fiscal year into a separate account in the general fund.

It is your Committee's intent that this bill serve as one of several legislative proposals for consideration to address the fiscal concerns of our State and put us on a sound and sustainable fiscal path.

The ERS testified in support of this bill. The Department of Budget and Finance opposed this bill. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 824 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 402 Labor & Public Employment on H.B. No. 1034**

The purpose of this bill is to appropriate and authorize emergency funds for health premium payments to fund Fiscal Biennium 2009-2011 Hawaii Employer-Union Health Benefits Trust Fund costs contained in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 13, and their excluded counterparts.

Your Committee notes that Governor's Message No. 98 requests immediate passage of this measure in accordance with Article VII, Section 9, of the Constitution of the State of Hawaii.

Your Committee further notes that funding the emergency appropriations contained in this bill is necessary to cover the cost of implementing the collective bargaining agreement that was negotiated between the State and the respective bargaining units representing state officers and employees for Hawaii Employer-Union Health Benefits Trust premium contributions for 2010-2011.

The Hawaii Government Employees Association and the Hawaii State Teachers Association testified in strong support of the bill. The Department of Budget and Finance submitted testimony in support of the 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. 1034, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 403 Health on H.B. No. 615**

The purpose of this bill is to improve mental health services in the State by, among other things:

- (1) Requiring the Department of Health (DOH) to provide an unlimited number of adult mental health services to patients;

- (2) Requiring DOH to assign case managers to adult mental health services patients based upon the Diagnostic and Statistical Manual of Mental Health Disorders, DSM-IV, of the American Psychiatric Association;
- (3) Requiring DOH to employ trained and certified professionals, including licensed clinical social workers, to provide emergency crisis intervention services through its crisis hotline;
- (4) Establishing an assertive community treatment program under DOH to provide counseling and treatment services;
- (5) Changing the term "serious mental illness" to "severe mental illness" and adding major depressive order, anxiety disorder, and borderline personality disorder to the definition;
- (6) Clarifying that crisis substance abuse and alcohol treatment is a covered health insurance benefit;
- (7) Specifying that the Crisis Substance Abuse and Alcohol Treatment Program extends for a period of 30 to 60 days for patients that are known to abuse substances; and
- (8) Appropriating funds for each year of the 2011-2013 fiscal biennium to establish a community care crisis center to assist with day programs for designated patients who are discharged from inpatient care.

Mental Health America of Hawaii, The Queen's Medical Center, Safe Haven/Mental Health Kokua, Helping Hands Hawaii, Hawaii Disability Rights Center, and several concerned individuals testified in support of this bill. The Department of Health opposed this measure. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Waianae Coast Community Mental Health Center, and several concerned individuals offered comments.

Your Committee finds that the number of hours of patient care provided for in the bill must be limited, and that not including licensed social workers and paraprofessionals as approved service providers unnecessarily restricts valuable community members from participating in the rehabilitative treatment of patients.

Your Committee has amended this bill by:

- (1) Limiting the number of adult mental health service hours to 30 units per patient per month;
- (2) Removing "clinical" from all references to "clinical social workers";
- (3) Including paraprofessionals in the list of approved crisis intervention treatment service providers;
- (4) Clarifying the insurance policy minimum coverage of two treatment episodes per lifetime by specifying that minimum coverage applies to "acute" treatment episodes;
- (5) Clarifying that acute substance abuse and alcohol treatment episodes requiring hospitalization are a covered benefit;
- (6) Clarifying that health insurance plans are not to impose increased rates on severe mental illness benefits; and
- (7) Limiting the appropriation to establish a community crisis center to the 2011-2012 fiscal year.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 615, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 404          Health on H.B. No. 275**

The purpose of this bill is to regulate the licensing of pharmacy benefit management companies (PBMs). PBMs are the intermediaries that negotiate services and costs between pharmaceutical companies and third party payors such as insurance companies. This bill will require that PBMs register with the insurance commissioner before administering pharmacy benefits of health insurers.

Several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Medco Health Solutions, Inc., and 'Ohana Health Plan opposed this bill. CVS Caremark Corporation offered comments.

Your Committee has amended this bill by:

- (1) Removing the requirements for disclosure and reporting requirements for PBMs;
- (2) Removing the periodic pharmacy audit process, and instead requiring PBMs to work with the Insurance Commissioner to provide access to formularies;
- (3) Requiring an annual report to the legislature regarding the status of PBMs; and
- (4) Changing the effective date to July 1, 2050, to encourage further discussions.

As affirmed by the 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. 275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 275, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 405            Agriculture on H.B. No. 866**

The purpose of this bill is to establish registration requirements for beekeepers.

Two concerned individuals opposed this bill. The Office of Information Practices and the Department of Agriculture (DOA) submitted comments.

Your Committee notes that testimony submitted by DOA includes the intent of the Department with respect to the registration provisions. DOA seeks to:

- (1) Create a database of beekeepers and their contact information;
- (2) Identify where beekeepers' hives are located;
- (3) Survey bee colonies to develop a picture of bee pests and diseases existing in the State to develop management strategies;
- (4) Survey bee colonies to quickly identify new bee pests for rapid response to control new bee pests and diseases by working in collaboration with beekeepers, beekeeping associations, and affected industries;
- (5) Improve communication between beekeepers and DOA;
- (6) Provide assistance in connecting beekeepers with growers; and
- (7) Provide guidance to participants in the program on the maintenance of healthy bee colonies, including integrated pest management programs.

In light of concerns raised in testimony, your Committee has amended this measure by:

- (1) Allowing instead of requiring beekeepers to register with DOA;
- (2) Requiring that the name and business address of each registrant be made publicly available;
- (3) Reducing the registration period to one year from three years;
- (4) Deleting provisions specifically requiring the inclusion of the following information for registration purposes:
  - (A) The tax map parcel number of each parcel used for bee colonies and honey production; and
  - (B) The number of bee colonies and the number of queens;
- (5) Inserting an appropriation to establish an apiary program in DOA; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 866, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 866, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 406            Agriculture on H.B. No. 1552**

The purpose of this bill is to prevent misleading labeling of packaged coffee by making it a violation to use a geographic origin on a label other than in the registered trademark or in the identity statement.

The Department of Agriculture, Hawaii Farm Bureau Federation, and several concerned individuals supported this bill. The Kona Coffee Farmers Association and several concerned individuals opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1552, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Riviere.

**SCRep. 407      Agriculture on H.B. No. 1553**

The purpose of this bill is to appropriate funds for various activities to address the coffee berry borer infestation on the island of Hawaii.

The University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR), Hawaii Farm Bureau Federation, and numerous concerned individuals supported this bill. The Department of Agriculture (DOA) supported the intent of this measure. Kona Coffee Farmers Association and numerous concerned individuals opposed this bill.

Your Committee notes the concerns raised by DOA and other testifiers regarding the difficulties experienced in fighting coffee berry borer infestation. Your Committee respectfully requests your Committee on Finance to review the financial implications of this measure as it moves forward in the legislative process. Your Committee also notes that testimony submitted by DOA indicated that certain appropriations contained in this bill were duplicative or unnecessary.

In light of testimony received on this measure, your Committee has amended this measure by:

- (1) Deleting the appropriations to fund:
  - (A) One position in the Kona office of the cooperative extension service of UH-CTAHR;
  - (B) One temporary DOA position to be filled by a professional entomologist with biological control experience; and
  - (C) Contract services from research agencies to develop and test coffee berry borer control and eradication processes;
- (2) Clarifying that the appropriation to provide sanitation services be used to mitigate coffee berry borer infestations on abandoned farms and other lands that contain uncultivated coffee in the Kona region;
- (3) Moving back the submittal date of the required report to the Legislature to July 31, 2012; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1553, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Riviere.

**SCRep. 408      Agriculture on H.B. No. 1570**

The purpose of this bill is to assist livestock farmers remain financially viable by:

- (1) Appropriating funds for the Livestock Revitalization Program (Program) to reimburse qualified producers of milk, pork, eggs, poultry, and beef for feed costs; and
- (2) Expanding the scope of eligible farmers for the Program by including a qualified producer of goat milk with a herd of at least 25 lactating milking goats.

Hawaii Farm Bureau Federation, Hawaii Aquaculture & Aquaponics Association, Mikilua Poultry Farm Inc., and a concerned individual supported this bill. The Department of Agriculture supported the intent of this measure. Animal Rights Hawaii and several concerned individuals opposed this bill.

Your Committee notes that testimony for this measure included a request to include feedstock reimbursements for aquacultural producers within the scope of the Program.

Your Committee intends to continue to address this issue as this measure moves forward in the legislative process. Your Committee notes that in addition to providing the people of Hawaii with fresh, locally-produced livestock products, livestock farms also provide a potentially valuable vehicle to expand agricultural tourism ventures for our state.

Your Committee has amended this measure by:

- (1) Clarifying that the minimum number of lactating milking goats in a herd is at least 25 under the definition of "qualified producer" to conform to the intent 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1570, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 409      Agriculture on H.B. No. 1475**

The purpose of this bill is to support local agriculture and promote healthy foods for children in schools by officially designating October as the "Farm to School Month".

The Department of Agriculture, Department of Health, Department of Education, Hawaii Farm Bureau Federation, Hawaii's Thousand Friends, Kokua Hawaii Foundation, Malama Kauai, Hawaii Association of Independent Schools, Hawaii Island School Garden Network – The Kohala Center, and numerous concerned individuals supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1475, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 410      Energy & Environmental Protection on H.B. No. 1016**

The purpose of this bill is to increase Hawaii's energy efficiency and reduce our dependence on fossil fuels by, among other things:

- (1) Authorizing the Department of Transportation (DOT) to adopt rules for the registration of, and issuance of license plates for, electric vehicles;
- (2) Exempting electric vehicles with electric vehicle license plates from parking fees charged by governmental entities, including fees charged by parking meters, except when the vehicle is parked at a charging station;
- (3) Extending the time period by which parking facilities must designate one percent of their public parking spaces for the exclusive use of electric vehicles from December 31, 2011, to July 1, 2012;
- (4) Establishing a definition of an "electric vehicle charging system"; and
- (5) Postponing from January 1, 2012, to January 1, 2013, the date upon which persons who park in a stall reserved for an electric vehicle will begin to receive warnings.

The Department of Business, Economic Development, and Tourism; Hawaiian Electric Company, Inc.; Maui Electric Company, Ltd.; Hawaii Electric Light Company, Inc.; Better Place Hawaii; Sierra Club-Hawaii Chapter; Blue Planet Foundation; and several concerned individuals testified in support of this bill. The Department of Accounting and General Services; General Motors, LLC; and a concerned individual provided comments.

As one of the most fossil fuel dependent states in the nation, Hawaii is currently working to meet clean and renewable energy goals in the very near future. One way of achieving this goal is to increase consumer acceptance of electric vehicles. Electric vehicles produce less greenhouse gas emissions than comparable gas powered vehicles and their use will reduce fossil fuel consumption. Benefits such as free parking for these types of vehicles will help to increase their use and acceptance.

Your Committee has amended this bill by:

- (1) Requiring, rather than authorizing, DOT to adopt rules for the registration of, and issuance of license plates for, electric vehicles;
- (2) Clarifying that an electric vehicle displaying an electric vehicle license plate is exempt from all parking fees at governmental facilities except when parked at a vehicle charging station;
- (3) Providing that the exemption from the payment of parking fees in metered parking spaces in government facilities for electric vehicles with electric vehicle license plates shall be limited to a maximum period of two-and-a half hours or the maximum time a meter allows, whichever is longer;
- (4) Further clarifying the definition of an electric vehicle charging system by specifying that one of the standards the charging system must meet is SAE standard J1772, AC Level 2; 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. 1016, 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. 1016, H.D. 2.

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

**SCRep. 411      Public Safety & Military Affairs on H.B. No. 605**

The purpose of this bill is to assist the State Fire Council (SFC) in carrying out its statutory duties by:



- (1) Establishing a Reduced Ignition Propensity Cigarette Program Special Fund (Program Fund);
- (2) Authorizing SFC to hire an administrator and administrative assistant to be responsible for various administrative and operational functions, including administering the Reduced Ignition Propensity Cigarette Program; and
- (3) Appropriating funds for the newly-established administrator and administrative assistant positions.

The Hawaii Fire Department testified in support of this bill. The Coalition for a Tobacco-Free Hawaii supported the intent of this measure. The State Fire Council, Honolulu Fire Department, Maui County Department of Fire & Public Safety, and Kauai Fire Department supported this bill with amendments. The Department of Budget and Finance offered comments.

Upon careful consideration and in light of testimony received on this measure, your Committee has amended this bill by:

- (1) Deleting the enforcement of section 132-16(c), Hawaii Revised Statutes, as one of the uses of Program Fund monies;
- (2) Deleting provisions requiring all excess unencumbered and unexpended monies in the Program Fund to lapse to the general fund every third fiscal year;
- (3) Amending the duties of the full-time administrator and assistant authorized to be employed by the measure to include rulemaking, certifying cigarettes, compiling the approved brand list, verifying tax stamp compliance, reviewing and approving alternative test methods, and submitting compliance tests;
- (4) Deleting the appropriations; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 605, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 412          Judiciary on H.B. No. 1368**

The purpose of this bill is to bring fairness and clarity to the election process by, among other things:

- (1) Defining the term "party candidate" in relation to the provisions governing the filling of vacancies caused by the death, withdrawal, or disqualification of the candidate;
- (2) Clarifying the candidate filing process by stipulating that any person who withdraws their nomination papers prior to the close of filing shall not be considered to have caused a vacancy that may be filled by the candidate's party; and
- (3) Granting the Supreme Court original jurisdiction to resolve challenges to an individual's candidacy.

The League of Women Voters of Hawaii, Democratic Party of Hawaii, and a concerned individual testified in support of this bill. The Representative from the 14<sup>th</sup> Representative District provided comments.

Your Committee has amended this bill by:

- (1) Deleting language conferring immediate jurisdiction of the Supreme Court for cases of objection by a political party;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1368, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 413          Water, Land, & Ocean Resources on H.B. No. 270**

The purpose of this bill is to provide savings in manpower, time, and costs to the counties and requestors of easements by eliminating the public auction requirement in the disposition of easements on county property.

The Department of Budget and Fiscal Services of the City and County of Honolulu, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company testified in support of 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. 270 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, Chong and Thielen.

**SCRep. 414 International Affairs/Economic Revitalization & Business on H.B. No. 1584**

The purpose of this bill is to establish a permanent commission to explore opportunities for fostering international relationships, particularly when large international events are held in the State, beginning with the upcoming Asia-Pacific Economic Cooperation Conference taking place in Honolulu in November 2011.

Several individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Hong Kong-Hawaii Chamber of Commerce provided comments.

Your Committees have amended this bill by changing its effective date to February 20, 2022, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1584, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 415 Judiciary on H.B. No. 593**

The purpose of this bill is to ensure the public has qualified candidates running for elected office by requiring that candidates for elected county office submit a sworn oath certifying compliance with relevant provisions of county charters and ordinances.

The Chair of the Maui County Council, and three council members of the Maui County Council testified in support of this bill. The State of Hawaii Office of Elections, and the League of Women Voters of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 7, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 593, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 416 Judiciary on H.B. No. 555**

The purpose of this bill is to rid the community of graffiti by requiring a person convicted of criminal property damage caused by graffiti to perform community service by removing any graffiti from property within an unspecified distance from the site of the offense; provided that:

- (1) The property owner consents; and
- (2) The act of removing the graffiti does not endanger the person or others or inconvenience the public.

The chairperson of the Honolulu City Council and several concerned individuals submitted testimony in support of this measure. The Judiciary and Office of the Public Defender provided comments.

Your Committee has amended this bill by:

- (1) Setting the distance at 250 yards from the site of the offense, within which the convicted person can be required to remove graffiti from property; and
- (2) Changing the effective date to January 7, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 555, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 417 Judiciary on H.B. No. 298**

The purpose of this bill is to include court interpreters who appear at the request of the circuit court, family court, or district court to those exempted from parking meter violations committed while appearing in court.

The Judiciary, Office of the Public Defender, Office of Language Access, Hawaii Interpreter Action Network, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 418            Judiciary on H.B. No. 243**

The purpose of this bill is to create stronger provisions for the protection of pet animals from abuse and cruelty by adding killing or attempting to kill the pet animal of another in the offense of cruelty to animals in the first degree, with the exception of those animals killed by an animal control officer, duly incorporated humane society, duly incorporated society for the prevention of cruelty to animals, or duly authorized governmental agency.

The City and County of Honolulu Department of the Prosecuting Attorney, Hawaiian Humane Society, a member of the Board of Directors of the Maui Humane Society, the Hawaii State Director of the Humane Society of the United States, the Director of the West Hawaii Humane Society, and numerous concerned citizens testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

Your Committee has amended this bill by changing the effective date to January 7, 2059, 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. 243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 243, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 419            Finance on H.B. No. 827**

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

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

Your Committee has amended this bill by:

- (1) Appropriating \$7,377,244 for the Senate;
- (2) Appropriating \$10,481,787 for the House of Representatives;
- (3) Authorizing \$145 per day for travel allowance while traveling abroad on official business;
- (4) Appropriating \$2,663,849 for the Office of the Auditor for operating expenses;
- (5) Appropriating \$2,550,828 for deposit into the Audit Revolving Fund;
- (6) Authorizing \$6,000,000 from the Audit Revolving Fund to the Office of the Auditor to conduct or complete its audit functions;
- (7) Appropriating \$3,033,970 to the Legislative Reference Bureau;
- (8) Appropriating \$1,017,875 to the Office of the Ombudsman;
- (9) Appropriating \$849,531 to the Office of the State Ethics Commission; and
- (10) Appropriating \$87,500 each to the Senate and House of Representatives for the production and distribution of television broadcasts of legislative proceedings.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 827, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 420 Finance on S.B. No. 8**

The purpose of this bill is to implement the constitutional amendment to Article X of the Hawaii State Constitution by providing the framework and appointment process for an appointed Board of Education (Board).

The Governor, the Hawaii Government Employees Association, The Chamber of Commerce of Hawaii, the Hawaii State Teachers Association, the Board of Directors of The League of Women Voters of Hawaii, the Hawaii County League of Women Voters, Outrigger Hotels Hawaii, and several concerned individuals supported this bill. A concerned individual opposed this measure. Many concerned individuals provided comments.

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

- (1) Reducing from ten to nine the number of Board members;
- (2) Changing the public high school student member to a public high school student representative;
- (3) Clarifying the provisions relating to Senate confirmation of a reappointed member by allowing a member to continue to serve until the Senate takes final action on the reconfirmation;
- (4) Removing the requirement for due notice and public hearing prior to the removal or suspension for cause of any Board member by the Governor;
- (5) Changing from six to five the number of voting members on the Board that trigger alternate quorum requirements;
- (6) Changing from two to three the maximum number of consecutive terms a Board member may serve;
- (7) Amending the minimum and recommended qualifications for each nominee, including recategorizing an understanding of collective bargaining as a recommended qualification;
- (8) Requiring the Governor to provide written documentation upon the nomination of any board member, rather than prior to the nomination;
- (9) Requiring the Governor to describe nominees' qualifications upon nomination;
- (10) Clarifying that the initially-appointed Board will begin their service upon the discharge of the elected Board;
- (11) Requiring the Governor to nominate all members of the Board no later than June 30, 2011; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 8, 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. 8, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Chong.

**SCRep. 421 Transportation on H.B. No. 101**

The purpose of this bill is to encourage the use of alternative modes of transportation, particularly bicycles, by:

- (1) Amending the definition of "bicycle" contained in the county vehicular taxes law and Statewide Traffic Code to include bicycles with an electric motor; and
- (2) Establishing the specifications of bicycles that may be transported on buses used in a public transportation system.

The Department of Customer Services of the City and County of Honolulu (DCS) and Maui Bicycle Alliance supported the intent of this bill. The Department of Transportation Services of the City and County of Honolulu opposed this measure.

Hawaii is facing an ever increasing traffic congestion problem. The promotion of alternative means of transportation would help to alleviate this situation. While bicycles are a healthy and clean alternative form of transportation, some individuals may not be attracted to this alternative, particularly for traveling long distances. Advancements in technology have allowed for electric powered bicycles to be developed that are capable of traveling long distances which makes this form of transportation more appealing.

Your Committee notes that DCS recommended that the definition of an "electric bicycle" be amended to distinguish it from mopeds and motor scooters. Accordingly, your Committee has amended this bill by amending the definition of "bicycle" to include a bicycle with an electric motor that conforms to the federal definition which contains thresholds for maximum power and speed.

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. 101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 101, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 422            Transportation on H.B. No. 325**

The purpose of this bill is to assist local farmers in selling their produce by appropriating funds for the establishment of a refrigerated food storage facility at the Hilo International Airport.

The Department of Transportation (DOT) supported the intent of this bill. The Hawaii Farm Bureau Federation provided comments.

As a large diversified agricultural farming industry continues to emerge on the island of Hawaii, facilities to maintain the integrity of these products prior to transportation are important to the viability of this industry. Hilo International Airport is an ideal site for such a facility.

However, the proposed facility is sited on lands under the primary jurisdiction of DOT. DOT is supportive of this facility provided that there is adequate space for the facility in a location that will work with the airport master plan and the operators of the facility pay fair market value rent under a lease with DOT set by appraisal. According to DOT, it must charge rent and cannot subsidize such a facility because federal law prohibits the use of airport funds for revenues unrelated to the capital and operating costs of the airport, the airport system, or facilities devoted to air transportation.

Your Committee encourages DOT to continue discussions on this matter with the Department of Agriculture.

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. 325, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 423            Transportation on H.B. No. 358**

The purpose of this bill is to encourage the use of alternative modes of transportation, particularly bicycles, by:

- (1)        Establishing the specifications of bicycles that may be transported on buses used in a public transportation system; and
- (2)        Amending the definition of "bicycle" contained in the county vehicular taxes law and Statewide Traffic Code to include bicycles with an electric motor.

The City and County of Honolulu (C&CH), Maui Bicycle Alliance, and a concerned individual testified in support of this bill.

Hawaii is facing an ever increasing traffic congestion problem. The promotion of alternative means of transportation would help to alleviate this situation. While bicycles are a healthy and clean alternative form of transportation, some individuals may not be attracted to this alternative, particularly for traveling long distances. Advancements in technology have allowed for electric powered bicycles to be developed that are capable of traveling long distances which makes this form of transportation more appealing.

Your Committee notes that C&CH recommended that the definition of "electric bicycle" be amended to distinguish it from mopeds and motor scooters. Accordingly, your Committee has amended this bill by amending the definition of electric bicycle to conform to the federal definition which contains thresholds for maximum power and speed.

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. 358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 358, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 424            Transportation on H.B. No. 489**

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

- (1)        Establishing the offense of failure to yield the right-of-way to a mass transit vehicle;
- (2)        Requiring the Department of Transportation to adopt rules determining the specifications for the placement of a yield sign on the mass transit vehicle, as well as the specifications of the yield sign itself; and
- (3)        Establishing an unspecified fine and a community service penalty for a violation.

Royal Star Hawaii Transit provided comments on this measure.

Mass transit vehicles are generally large and operators of these vehicles have difficulty re-entering traffic because of poor rear-view visibility. This can be a hazard to both the mass transit vehicle and the motor vehicle approaching from behind. Requiring other motor vehicles to yield the right-of-way to a mass transit vehicle is a way of addressing this safety concern.

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

Signed by all members of the Committee.

**SCRep. 425            Transportation on H.B. No. 506**

The purpose of this bill is to protect the health and safety of the people of the Leeward Coast of Oahu, and address their transportation needs, by:

- (1)        Requiring the Department of Transportation (DOT) to conduct a feasibility study on the construction of an alternative access road into and out of the Leeward Coast of Oahu, mauka of Farrington Highway, beginning at Lualualei Naval Magazine Road; and
- (2)        Appropriating \$250,000 to conduct the study.

PVT Land Company, LLC; Naked Cow Dairy; and several concerned individuals testified in support of this bill. DOT supported the intent of this measure.

Residents of the Waianae Coast have long suffered from inadequate traffic access into various areas on the Leeward Coast and out to Central Oahu and beyond, especially in times of emergency. Numerous past instances have caused Farrington Highway, the only access route into and out of the Waianae Coast, to be closed leaving thousands of Leeward Coast residents stranded for hours and demonstrating the need for an additional access route to this area of Oahu. Although the public has been permitted to use the four-mile, unimproved Kolekole Pass as a detour route to and from the Waianae Coast area during some emergencies, this may not be a realistic or viable long-term option.

As the lack of a viable and permanent alternate route into and out of the Waianae Coast continues to be a problem, requiring DOT to conduct a feasibility study on the construction of an alternative access road to the area appears reasonable and prudent.

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

Signed by all members of the Committee.

**SCRep. 426            Transportation on H.B. No. 1240**

The purpose of this bill is to provide for a more equitable means for motor vehicle rental companies to recover vehicle licensing fees by allowing them to calculate the fees that are currently passed on to consumers, including governmental licensing, registration, and inspection fees and vehicle weight taxes, based on a good-faith estimate of the actual cost of these fees and taxes.

EAN Holdgins, LLC, and Catrala Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs testified in opposition to this measure.

Currently, Hawaii law permits rental car companies to charge fees, known as vehicle licensing fees, to recoup costs associated with government imposed charges on a vehicle including registration, licensing, and inspection fees and vehicle weight taxes. The rate of these fees is statutorily established as 1/365<sup>th</sup> of vehicle licensing and registration fees and weight taxes for each full or partial 24-hour day a vehicle is rented. However, rental car companies have stated that their motor vehicles are seldom rented every day of the year and therefore they do not recover all of the costs associated with the vehicle fees and taxes. This measure attempts to address this issue.

While your Committee understands the concerns raised as to the interpretation of a "good-faith estimate" of the actual cost of the vehicle licensing fees, this measure deserves further discussion.

Your Committee has amended this bill by allowing calculations for amounts collected for vehicle licensing fees in a calendar year in excess of actual costs that may be retained by a rental car company and applied to the adjustment of estimated daily rates for the following year to be based on the entire vehicle fleet of the rental car company rather than each separate vehicle.

Technical, nonsubstantive amendments have also been made for the purposes of consistency, clarity, 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. 1240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1240, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 427            Transportation on H.B. No. 1241**

The purpose of this bill is to provide a more practicable timeframe within which abandoned vehicles may be reclaimed by extending the time period during which a legal and registered owner of an abandoned vehicle may repossess the vehicle before disposal from ten days to 20 business days after mailing of a written notice of the intended disposition of the vehicle.

The Hawaii Credit Union League and EAN Holdings, LLC, testified in support of this bill. A concerned individual testified in support of the intent of this measure. The City and County of Honolulu opposed this bill.

Currently, an abandoned vehicle will be auctioned approximately 23 days after it is marked abandoned and towed, based on statutorily-established investigation, owner notification, and auction publication requirements. Unfortunately, rental car companies are sometimes caught in a quandary because their vehicles may have been towed and deemed abandoned without their knowledge. As the registered owners of these particular vehicles are often located on the mainland, it may be more than 23 days before the local representatives for these companies are aware the vehicle is going to be disposed of. This measure attempts to address this issue.

However, your Committee notes that, according to the rental car companies, this problem mainly affects vehicles whose registered owners reside on the mainland. Accordingly, your Committee has amended this bill by applying the 20-business-day notification requirement only to vehicles whose registered owner resides out-of-state and maintaining the ten-day notification requirement for in-state registered owners.

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. 1241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1241, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 428            Water, Land, & Ocean Resources on H.B. No. 331**

The purpose of this bill is to help stabilize and support the economy of Hilo by:

- (1)            Requiring the Department of Land and Natural Resources (DLNR) to extend the terms of all existing leases that were conveyed after May 23, 1960, on properties in the area known as the Hilo Industrial Area, until no earlier than 2026; and
- (2)            Requiring DLNR to determine, no later than January 1, 2016, and in consultation with the Kanoelehua Industrial Area Association, whether it is in the public interest to relocate the existing lessees or develop the existing infrastructure.

McCully Works; HPM Building Supply; Hilo Bay Printing Co., Ltd.; Hilo Fish Company; and several concerned individuals supported this bill. DLNR, the Department of the Attorney General, and the Office of Hawaiian Affairs opposed this measure. The Kanoelehua Industrial Area Association offered comments.

After careful consideration, your Committee has amended this bill by:

- (1)            Deleting all references to Hilo, the Hilo Industrial Area, and the Kanoelehua Industrial Area Association; and
- (2)            Generally allowing the Board of Land and Natural Resources to extend or modify, periodically and under certain circumstances, the fixed rental period of any intensive agricultural, aquaculture, commercial, mariculture, special livestock, pasture, or industrial lease; provided that the aggregate of the initial term and any extension granted does not exceed 65 years.

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. 331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 331, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 429            Water, Land, & Ocean Resources on H.B. No. 1622**

The purpose of this bill is to allow for the construction of a state law enforcement memorial in the Capitol District.

The Hawaii Law Enforcement Memorial Foundation and a concerned individual testified in support of this bill. The Historic Hawaii Foundation 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. 1622 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 430            Water, Land, & Ocean Resources on H.B. No. 1505**

The purpose of this bill is to address the State's significant backlog of deferred facility maintenance and promote new construction projects by establishing public-private partnerships through the State Facility Renovation Partnership Program.

CB Richard Ellis, Inc., supported this bill. The Department of Accounting and General Services (DAGS) opposed this measure. The Department of Budget and Finance offered comments.

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

- (1)            Adding a purpose section;

- (2) Adding definitions of "building lease", "ground lease", "development agreement", and "facility";
- (3) Specifying that the State Facility Renovation Partnership Program includes all transactions, including land, improvements, or both;
- (4) Clarifying the frequency and scope of DAGS' comprehensive review of state-owned facilities;
- (5) Providing that the State has the option of purchasing the facility from a private investor for the remaining balance of the debt-service costs incurred by the private investor at any time and concurrently terminating the ground lease; and
- (6) 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1505, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Chong.

**SCRep. 431 Water, Land, & Ocean Resources on H.B. No. 1486**

The purpose of this bill is to require small boat harbor vessel permittees who, in the course of providing an excursion using state boating facilities, disembark fare-paying passengers in certain counties with the expectation that they will visit and participate in recreational activity on state property adjacent to quasi-public property during the excursion, to accompany passengers at all times while ashore.

The Hulopo'e Beach Park Council; Castle & Cooke Resorts, LLC; and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and a concerned individual opposed this measure.

Your Committee finds that operators procuring permits under the Ocean Recreation and Coastal Area Programs law are engaged in commercial activity and should therefore be responsible for accompanying their passengers at all times while ashore.

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. 1486 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, Chong and Thielen.

**SCRep. 432 Water, Land, & Ocean Resources on H.B. No. 785**

The purpose of this bill is to temporarily require the revenues of the Land Conservation Fund (Fund) from the conveyance tax to be used for invasive species control and mitigation, reforestation, and sediment run-off mitigation, and appropriates funds from the Fund for those purposes.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, Trust for Public Land, and Hawaiian Islands Land Trust opposed this bill.

Your Committee finds that this bill will create job opportunities by appropriating funds for those public purposes and further finds that employing individuals will generate more economic activity within the State than acquiring land from entities or individuals with presumably higher incomes.

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. 785 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, Chong and Thielen.

**SCRep. 433 Water, Land, & Ocean Resources on H.B. No. 1164**

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to:

- (1) Review and consider, among other things:
  - (A) Current lease terms between DLNR and the Sand Island Business Association;
  - (B) Income related to leases and rent;
  - (C) The use of lease revenues; and
  - (D) Alternative sources of revenue to replace the lease revenues;

and
- (2) Report its findings and recommendations to the Legislature prior to the convening of the 2012 Regular Session.



The Sand Island Business Association, Universal Construction, Inc., Reynolds Recycling, Honolulu Recovery Systems, Honolulu Disposal Service, Ikaika Builders, and numerous concerned individuals testified in support of this bill. DLNR and the Office of Hawaiian Affairs opposed this measure.

Your Committee has amended this bill by changing its effective date to January 1, 3000, to encourage further discussion.

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. 1164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1164, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 434            Economic Revitalization & Business on H.B. No. 1529**

The purpose of this measure is to establish a task force to review and update the Hawaii State Planning Act and the planning, programming, and budgeting system of the State.

The Land Use Research Foundation of Hawaii, the Department of Business, Economic Development, and Tourism, and the Department of Budget and Finance testified in support of the intent of the measure.

Your Committee notes that the Land Use Research Foundation of Hawaii proposed that the measure be amended to include additional task force members to address important objectives and policies in the Hawaii State Planning Act. Your Committee respectfully requests that the Committee on Finance, should it choose to hear this measure, give careful consideration to this proposal.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1529, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Evans and Nishimoto.

**SCRep. 435            Economic Revitalization & Business on H.B. No. 848**

The purpose of this measure is to exempt from the state general excise tax, amounts received by a common paymaster that are disbursed as remuneration to employees of two or more related persons where the common paymaster is making the remunerations on behalf of the related persons.

Palama Holdings, LLC, a substantial number of concerned individuals, and two owners of related business entities testified in support of the measure. The Department of Taxation and the Tax Foundation of Hawaii commented on the measure.

Your Committee finds that, due to the high cost of doing business in the State, it is not uncommon for companies with multiple related entities to process all employees under one common paymaster. Your Committee also notes several concerns raised by the Department of Taxation, including the potential loss of general excise tax revenue if this measure is enacted into law and several technical issues with the measure that need clarification. Accordingly, your Committee respectfully requests that the Committee on Finance, should it choose to hear this measure, give careful consideration to these concerns.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 848, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Hashem and Pine.

**SCRep. 436            Economic Revitalization & Business on H.B. No. 847**

The purpose of this bill is to require, in certain arbitration proceedings where the arbitrator is a real estate appraiser, the record of an award to include findings of fact, the appraiser's rationale for the award, and information regarding the evidence that provided the basis for the award.

Sony Hawaii, Citizens for Fair Valuation, Bacon Universal Company, Inc., and several concerned individuals supported this bill. The Hawaii Chapter of the Appraisal Institute opposed this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 847, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 437            Economic Revitalization & Business on H.B. No. 846**

The purpose of this bill is to require a real estate appraiser to comply with the Uniform Standards of Professional Appraisal Practice when acting as an appraiser or as an arbitrator in an arbitration proceeding to determine the fair market value, fair market rental, or fair and reasonable rent of real estate.

Citizens for Fair Valuation, Sony Hawaii, Bacon Universal Company, Inc., and numerous concerned individuals supported this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Alexander & Baldwin, Inc., Land Use Research Foundation of Hawaii, and the Hawaii Chapter of the Appraisal Institute opposed this bill.

Your Committee notes that several concerns were raised during testimony regarding the provisions contained in this measure and respectfully requests your Committee on Consumer Protection and Commerce to address these concerns as this bill moves forward in the legislative process.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 846, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 438            Economic Revitalization & Business on H.B. No. 667**

The purpose of this measure is to promote the consistent and effective application of food safety requirements by food production and processing facilities in the State.

Specifically, the measure requires the Department of Business, Economic Development, and Tourism, in cooperation with the Departments of Agriculture and Health, to develop a detailed plan of action to simplify and consolidate permitting and licensing requirements for the production and processing of food by food production and processing facilities to facilitate compliance with food safety requirements.

Your Committee received testimony in support of this measure from the Department of Agriculture. The Department of Health supported the intent. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure will help streamline the permitting and licensing requirement process for the production and processing of food and eliminate conflicts between state and federal requirements. However, your Committee acknowledges the concerns expressed by the Department of Business, Economic Development, and Tourism that it does not have the core competency to analyze and evaluate compliance and safety issues related to food production, food health and safety, and agricultural processing.

Your Committee has amended this measure by:

- (1) Substituting the Department of Health for the Department of Business, Economic Development, and Tourism, as the appropriate lead department to develop a food production and processing safety action plan; and
- (2) Changing the effective date to July 1, 2112, to allow for further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 667, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Nishimoto.

**SCRep. 439            Economic Revitalization & Business on H.B. No. 98**

The purpose of this bill is to make it unlawful for minors to possess or use tobacco products, excepting minors engaged in delivery of tobacco products for an employer lawfully engaged in business necessitating that delivery, among other exceptions. In addition to a fine, the bill also provides that a minor may be required to perform community service for a subsequent offense.

The Honolulu Police Department and Democratic Party of Hawaii submitted testimony in support of this bill. The American Cancer Society supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 98, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 440 Economic Revitalization & Business on H.B. No. 1338**

The purpose of this measure is to better prepare the youth of Hawaii for the challenges of working in the emerging industries of science and technology by appropriating funds for science, technology, engineering, and math education programs for students and instructors.

Testimony in support of the measure was submitted by the Department of Business, Economic Development, and Tourism and the Chamber of Commerce of Hawaii. The University of Hawaii submitted comments on the measure.

Your Committee finds that the fields of scientific research and development, medical testing, specialty health care, technology manufacturing, and computer services are important emerging areas of future job growth. It is critical that the State continue to diversify Hawaii's economy, by investing resources to ensure that the youth of the State are prepared to be leaders in these emerging and innovative fields, and that the educators of the State provide adequate instruction to the youth.

Your Committee amended this measure by:

- (1) Clarifying that the appropriation on page 5, line 20, is "to support" the business/education internship and mentorship program;
- (2) Changing the expending agency for this appropriation from the Department of Business, Economic Development, and Tourism to the University of Hawaii to centralize STEM program management; and
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1338, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1338, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Evans and Nishimoto.

**SCRep. 441 Economic Revitalization & Business on H.B. No. 985**

The purpose of this bill is to preserve creativity and competition in the construction contract procurement process by establishing and incorporating the design-build process as an alternative procurement method into the Hawaii Public Procurement Code, to be employed at the discretion of the procurement officer. The two-tiered process requires offerors to submit a statement of qualification, from which no more than five will be selected to submit proposals for the contract. At the onset of the request for proposals a fee will be determined to reimburse those offerors with responsive designs.

Kennedy/Jenks Consultants; Fukunaga & Associates; ECS, Inc.; Gray, Hong, Nojima & Associates, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; American Society of Civil Engineers; American Council of Engineering Companies; Consulting Structural Hawaii, Inc.; Engineering Concepts, Inc.; Okahara & Associates, Inc.; Ronald N.S. Ho & Associates, Inc.; and The Limtiaco Consulting Group testified in support of this measure. The State Procurement Office supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Defining "design-build" to apply to the Hawaii Public Procurement Code;
- (2) Deleting unnecessary language regarding rulemaking provisions for procurement procedures;
- (3) Changing the process for design-build procurement to conform to the 2000 Model Procurement Code for State and Local Governments, as issued by the American Bar Association as a nondiscretionary process; and
- (4) Changing the effective date to July 1, 2112, to promote further discussions.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 985, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 442 Economic Revitalization & Business on H.B. No. 1339**

The purpose of this bill is to authorize county liquor commissions to prescribe rules limiting the expression and conduct of patrons on licensed premises within constitutional bounds. Moreover, it requires each liquor commission to include a definition for "dancing" within its rules.

The American Civil Liberties Union of Hawaii, and a large number of 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 443 Economic Revitalization & Business on H.B. No. 983**

The purpose of this bill is to authorize the Hawaii Strategic Development Corporation (HSDC) to transfer tax credits issued by the State to transferees that may use the tax credits to reduce their tax liabilities under the income tax, banks and financial institutions tax, or insurance tax laws.

HSDC, High Technology Development Corporation, and Hawaii Venture Capital Association supported this bill. The Department of Taxation opposed this measure. Tax Foundation of Hawaii submitted comments.

Your Committee respectfully requests your Committee on Finance to assess the revenue impact of this measure as well as the concerns raised in testimony regarding the financing mechanism of tax credit transfers and the potential creation of a secondary market.

Your Committee has amended this measure by:

- (1) Requiring unsold tax credits to expire at the end of the calendar year in which they are issued;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 983, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 444 Economic Revitalization & Business on H.B. No. 702**

The purpose of this bill is to alleviate the financial strain experienced by Hawaii small businesses that meet certain criteria, including being domiciled in Hawaii, owned and operated by Hawaii residents, and employing Hawaii residents, by establishing the Small Business Hardship Loan Program and Small Business Hardship Revolving Fund to make direct one-time loans.

The Department of Business, Economic Development, and Tourism, and The Chamber of Commerce of Hawaii testified in support of the measure. The Department of Budget and Finance testified in opposition to the bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 702, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 445 Economic Revitalization & Business on H.B. No. 801**

The purpose of this bill is to promote economic self-sufficiency and job creation in Hawaii by allowing the federal Work Opportunity Credit (Credit), with certain revisions, to be used against a taxpayer's state income tax liability. Specifically, this bill:

- (1) Establishes the Credit at an amount equal to forty percent of the qualified first-year wages paid or incurred by the taxpayer; and
- (2) Prohibits the Credit from being available for any wages paid or incurred before January 1, 2010, or after December 31, 2013.

The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual submitted comments.

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

- (1) Restricting the scope of the Credit to wages paid or incurred for jobs located in Hawaii;
- (2) In lieu of forty percent of the qualified first-year wages paid or incurred by the taxpayer, making the amount of the Credit equal to fifty percent of the federal Credit; and

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 801, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans and Hashem.

**SCRep. 446 Economic Revitalization & Business on H.B. No. 924**

The purpose of this bill is to provide clarification of the law relating to the interpretation of insurance policies affecting construction professionals.

The Building Industry Association of Hawaii; The Pacific Resource Partnership; LY, Inc.; Nordic PCL Construction, Inc.; SteelTech, Inc.; HSI Mechanical, Inc.; Shioi Construction, Inc.; Darcey Builders, Inc.; S&M Sakamoto, Inc.; Mega Construction, Inc.; Grace Pacific Corporation; Royal Contracting Co., Ltd.; Tomco Corp.; Nan, Inc.; Heartwood Pacific LLC; Kalu Glass Co., Inc.; Delta Construction Corporation; Clay Chapman Iwamura Pulice & Nervell; Ralph S. Inouye Co., Ltd.; Gentry Homes, Ltd.; Alan Shintani, Inc.; Integrated Security Technologies Inc.; General Contractors Association; and Group Builders Inc. testified in strong support of the bill. The Hawaii Laborers' Union testified in support of this bill. Island Insurance and First Insurance Company of Hawaii testified in opposition to the bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by changing its effective date to July 1, 2112, to encourage continued discussion on this bill.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 924, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 447 Economic Revitalization & Business on H.B. No. 782**

The purpose of this bill is to establish dedicated funding sources for the operations of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Establishing the DBEDT Operation Special Fund (Special Fund) to be used for the operations of DBEDT;
- (2) Temporarily imposing a surcharge of \$20 to be added to various fees assessed by the Department of Commerce and Consumer Affairs (DCCA), Public Utilities Commission, Department of Labor and Industrial Relations, and Department of Taxation, and requiring that surcharge revenues be deposited into the Special Fund; and
- (3) Temporarily requiring \$2,000,000 from the Compliance Resolution Fund (Resolution Fund) to be deposited into the Special Fund on an annual basis.

DBEDT supported the intent of this bill. DCCA, Hawaii Insurers Council, Hawaiian Electric Company, Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., opposed this measure. The Department of Budget and Finance submitted comments.

Your Committee notes that serious concerns were raised by DCCA and other testifiers with respect to the provisions contained in this measure, including whether a clear nexus exists between the surcharge imposed in this bill and the services provided by DBEDT. Testimony also indicated concerns regarding the establishment of the Special Fund and the impact that the annual transfer of \$2,000,000 from the Resolution Fund to the Special Fund would have on the Resolution Fund.

Your Committee will continue to work on this matter as this bill moves forward and respectfully requests your Committee on Finance to address the aforementioned issues and look into other alternative funding sources to assist DBEDT in implementing its programs and initiatives.

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

- (1) Deleting the provision requiring \$2,000,000 from the Resolution Fund to be transferred on an annual basis to the Special Fund;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 782, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 448 Economic Revitalization & Business on H.B. No. 235**

The purpose of this bill is to:

- (1) Allow a limited liability company to be designated as an "ingenuity company" by the Director of Commerce and Consumer Affairs; and
- (2) Require an ingenuity company to use its right to exclude, conferred by patents in which it has an interest, for certain public purposes.

Enterprise Honolulu and several concerned individuals supported this bill. The Commissioner of Securities of the Business Registration Division of the Department of Commerce and Consumer Affairs (DCCA) opposed this bill.

Your Committee notes that the proponents of this bill and DCCA are working to address the concerns raised during testimony on this matter.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 235, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 449 Economic Revitalization & Business on H.B. No. 1308**

The purpose and intent of this measure is to spur the growth of the digital media industry in Hawaii.

Specifically, this measure:

- (1) Provides tax benefits for the development and operation of the digital media industry;
- (2) Establishes digital media enterprise subzones in geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones;
- (3) Renames the Hawaii television and film development board and the Hawaii television and film development special fund the Hawaii film office board and Hawaii film office special fund, respectively; and
- (4) Provides that the Hawaii film office special fund will be used initially to fund the Hawaii film office and later a grant and venture capital program to support eligible Hawaii film projects.

Your Committee received testimony in support of this measure from the University of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Office of Information Practices and the Tax Foundation of Hawaii.

Your Committee finds that, on the heels of the long-awaited groundbreaking of the University of Hawaii-West Oahu campus and several high-profile movie projects and television shows filming in the islands, the opportunity exists to foster the development of the State's digital media industry. Creating enterprise subzones and providing tax incentives would incite the creation of digital media companies, which would in turn generate jobs and revenue for the State. Furthermore, establishing Hawaii as a hub for the digital media industry will attract and motivate today's tech-savvy students to enroll in the University of Hawaii's creative media programs and reduce the State's brain drain.

Your Committee believes that this measure merits further discussion and, accordingly, has amended this measure by changing the effective date from July 1, 2011, to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1308, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Evans, Nishimoto and Tokioka.

**SCRep. 450 Economic Revitalization & Business on H.B. No. 1183**

The purpose of this measure is to minimize the loss of revenues of local businesses due to sales by out-of-state online retailers.

Specifically, the measure:

- (1) Creates a nexus standard for taxing out-of-state businesses on their business activities in Hawaii;

- (2) Amends the definition of "engaging in business" with regard to the general excise tax to include persons who enter into an agreement with residents of the State, where the person pays a commission for referral of potential customers; and
- (3) Allows out-of-state businesses to file information regarding sales to residents of the State, instead of collecting and remitting general excise taxes to the department of taxation.

One private individual testified in support of the measure. The Department of Taxation supported the intent of the measure. The Tax Foundation of Hawaii commented on the measure.

Your Committee finds that this measure proposes an approach to collecting the general excise tax on out-of-state purchases. However, your Committee notes the concerns raised by the Department of Taxation that the measure could cause a revenue loss by allowing businesses that already have nexus in the State to stop paying the general excise tax and file an informational return instead. Your Committee respectfully requests that the Committee on Finance further consider this issue and the concerns raised by the Department of Taxation regarding the difficulties that the Department would encounter in collecting the use tax from consumers.

Your Committee has amended this measure by changing the effective date to July 1, 2012, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1183, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Evans and Nishimoto.

**SCRep. 451 Economic Revitalization & Business on H.B. No. 1362**

The purpose of this measure is to address light pollution issues that adversely affect important state interests, including scientific research, reduction of energy consumption, protection of endangered species, and improvement of night sky quality, by extending the termination date of the temporary advisory committee relating to the statewide starlight reserve strategy from June 30, 2011, to June 30, 2013.

Testimony in support of the measure was submitted by the University of Hawaii, Hawaii Starlight Reserve Committee, and Sierra Club, Hawaii Chapter.

Your Committee finds that the purposes of Act 161, Session Laws of Hawaii 2009, which established the Starlight Reserve Committee to assist the Department of Business, Economic Development, and Tourism to develop a statewide intelligent lighting and light pollution plan, have not been accomplished due to a delay in the formation of the committee. Accordingly, your Committee finds that it is necessary to extend the termination date of the Starlight Reserve Committee to ensure that a comprehensive statewide intelligent lighting and light pollution plan is developed.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Evans, Nishimoto and Tokioka.

**SCRep. 452 Economic Revitalization & Business/Water, Land, & Ocean Resources on H.B. No. 526**

The purpose of this bill is to support the establishment of a high technology park in the State by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to work with the Department of Land and Natural Resources (DLNR) to identify appropriate lands on Oahu that may be acquired for a high technology park;
- (2) Requiring DBEDT to consult with the High Technology Development Corporation (HTDC) to plan for the establishment of the high technology park, including provisions for HTDC to manage and oversee the park's operations in cooperation with other government agencies and private entities; and
- (3) Appropriating funds for costs related to the infrastructure for the high technology park.

DBEDT, University of Hawaii, HTDC, Office of the Mayor of the City and County of Honolulu (C&CH), Hawaii Technology Development Venture, and a concerned individual supported this bill. DLNR opposed this bill.

Your Committees note that concerns were raised by DLNR regarding the strain that may be imposed by this measure on its limited staffing and resources. Your Committees respectfully request your Committee on Finance to review the level of involvement that may be required of DLNR under the provisions of this bill. In addition, noting its potential to serve as a focal point for high technology, your Committees respectfully request consideration of West Oahu as a suitable location for the high technology park.

Your Committees recognize the efforts already undertaken by the C&CH to support and plan for high technology infrastructure on Oahu.

Therefore, your Committees have amended this measure by:

- (1) Requiring DBEDT to work with the C&CH in identifying appropriate lands for the high technology park and in planning for the establishment of the high technology park;

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

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business 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. 526, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 526, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Chong and Herkes.

**SCRep. 453 Economic Revitalization & Business/Energy & Environmental Protection on H.B. No. 788**

The purpose of this bill is to improve incentives for the use of alternative energy by, among other things:

- (1) Renaming the existing Ethanol Facility Tax Credit as the Biofuel Facility Tax Credit (Biofuel Tax Credit) and expanding the scope of the Biofuel Tax Credit to include biodiesel, diesel, jet fuel, or other liquid fuels that meet certain specifications;
- (2) Inserting a definition for "agricultural feedstock" and requiring that a qualifying biofuel production facility use agricultural feedstock for at least 75 percent of its production output as a condition for claiming the Biofuel Tax Credit;
- (3) Enabling qualifying biofuel production facilities with larger nameplate capacities to be eligible for the Biofuel Tax Credit; and
- (4) Making the annual dollar amount of the Biofuel Tax Credit equal to 30 cents per gallon of a qualifying biofuel production facility's nameplate capacity, up to the first 15,000,000 gallons of capacity.

The Department of Business, Economic Development, and Tourism; Pacific West Energy LLC; Hawaii Bioenergy, LLC; Hawaiian Electric Company; Maui Electric Company; and Hawaii Electric Light Company supported this bill. Pacific Biodiesel, Inc., and Hawaii Renewable Energy Alliance supported the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Upon further consideration and in light of testimony submitted on this matter, your Committees have amended this measure by:

- (1) Changing the name of the Biofuel Tax Credit to the Bioenergy Production Facility Tax Credit (Bioenergy Tax Credit), and clarifying its scope to specifically include electricity generation from agricultural feedstock;
- (2) Changing references to "biofuel production facility" and "qualifying biofuel production facility" to "bioenergy production facility" and "qualifying bioenergy production facility", respectively;
- (3) Making the Bioenergy Tax Credit applicable from January 1, 2014;
- (4) Changing the annual dollar amount of the Bioenergy Tax Credit by making it equal to:
  - (A) 30 percent of a qualifying biofuel production facility's annual nameplate capacity; or
  - (B) For an electricity generating facility, three cents per kilowatt hour of the facility's annual nameplate capacity if the facility's annual nameplate capacity is greater than 5,000,000 kilowatt hours;
- (5) Prohibiting a taxpayer from claiming the Bioenergy Tax Credit based on both biofuel production capacity and electricity generating capacity for the same facility;
- (6) Clarifying the definition of "agricultural feedstock";
- (7) Including a definition for "bioenergy";
- (8) Amending the definitions of "investment" and "nameplate capacity" to account for the inclusion of electricity generation in the Bioenergy Tax Credit;
- (9) Repealing existing provisions establishing a threshold of 40,000,000 gallons in total nameplate capacity per year of ethanol production facilities built in the State, over which no tax credits shall be allowed to be claimed;
- (10) Requiring DBEDT to include in its annual report on the Bioenergy Tax Credit the total number of employees employed by each facility, including those employed in agricultural operations, and statistical information regarding biofuel and electricity production and sales and Hawaii-grown and other feedstock used for bioenergy production; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 788, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 788, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Chang, Chong, Ito and Tokioka.



**SCRep. 454      Transportation on H.B. No. 261**

The purpose of this bill is ensure that the Honolulu Rail Transit Project is carried out in an effective and efficient manner by providing rulemaking authority to semi-autonomous county public transit agencies.

The Department of Transportation Services of the City and County of Honolulu testified in support of this bill.

Populations continue to grow statewide, especially on the central plains and the Leeward coast of Oahu. Housing increases over the past several years and future projected housing increases are expected to add an estimated 138,000 residents to these areas by 2015. As a result of this growth, a substantial increase in the number of vehicles using our roadways is inevitable and will result in greater traffic congestion over the next decade.

As a result of these concerns, the Legislature provided the City and County of Honolulu with the authority to levy a county surcharge on State tax to fund a public transit system. In response, the Honolulu City Council enacted legislation to levy a surcharge to generate the necessary revenues for the Honolulu Rail Transit Project. Currently, the Honolulu Rail Transit Project is in its final planning stages with groundbreaking on the initial phase of the project to begin in the very near future.

In 2010, the voters of Honolulu approved a Charter Amendment to establish a semi-autonomous county public transit authority and charge this authority with the planning, construction, operation, maintenance, expansion, and management of Honolulu's fixed guideway mass transit system, known officially as the Honolulu Authority for Rapid Transportation (HART). This measure provides HART with rulemaking authority to carry out its mandate efficiently and effectively.

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

Signed by all members of the Committee.

**SCRep. 455      Transportation on H.B. No. 993**

The purpose of this bill is to develop alternative means of transportation between islands in the State by:

- (1) Establishing the Hawaii Marine Highway System (System);
- (2) Requiring the Department of Transportation (DOT) to administer the System, including the construction, purchase, or lease of ferry terminal facilities throughout the State; and
- (3) Creating the Hawaii Marine Highway System Fund within the State treasury, which funds are to be used for the operation and maintenance of the System.

A concerned individual testified in support of this bill. DOT supported the intent of this measure. The Department of Budget and Finance provided comments.

Hawaii is an island state that depends, almost exclusively, on air transportation for travel between islands. Unlike most areas in the continental United States, Hawaii residents cannot drive from one end of the state to the other end using land-based, highway systems. Hawaii's only "highway" between the islands must be marine-based, and this measure begins the process of using these "marine highways" for the benefit of our citizens.

While your Committee is aware of the financial uncertainties currently facing marine highway and ferry systems in the States of Alaska and Washington and the need for DOT to gather more comprehensive information on the legal, regulatory, and financial aspects of establishing a marine highway system in Hawaii, the importance of providing this transportation alternative deserves further consideration and discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 456      Transportation on H.B. No. 1039**

The purpose of this bill is to assist the Department of Transportation (DOT) with addressing state highway transportation infrastructure needs. Among other things, this bill:

- (1) Authorizes DOT to issue revenue anticipation notes and bonds, also known as GARVEE bonds, for legislatively appropriated federal-aid highway program transportation projects;
- (2) Establishes a special trust fund in the State Highway Fund into which shall be deposited proceeds from the sale of GARVEE bonds;
- (3) Establishes criteria for the selection of state federal-aid highway program transportation projects that will be eligible to be financed through the use of GARVEE bonds; and
- (4) Requires the Director of Transportation to submit an annual report to the Governor and Legislature detailing:
  - (A) The amount of GARVEE bonds issued;

- (B) The projects financed by GARVEE bonds;
- (C) The amount of GARVEE bond proceeds expended on each project;
- (D) The status of the project;
- (E) The estimated date of completion of projects not yet completed;
- (F) The total amount of federal transportation funds paid to the department since the issuance of the GARVEE bonds; and
- (G) The total amount of proceeds from the issuance of GARVEE bonds, state matching funds, and federal funds applied by DOT in each fiscal year for the payment of GARVEE bonds and the costs associated with their issuance and administration.

DOT, the Department of Budget and Finance, and Hawaii Laborers' Union testified in support of this bill.

Hawaii's highway system, which consists of over 2,400 lane miles of roadway, is facing numerous repair and maintenance issues. With the downturn in both the national and State economies over the last several years, State Highway Fund monies have continued to be negatively impacted, with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. As a result, our land transportation system has failed to address increased transportation demands with project needs far outpacing available resources.

GARVEE bonds are tax-exempt revenue anticipation notes or bonds backed by annual federal appropriations that Congress has authorized states to issue for the funding of state federal-aid highway program projects. Allowing DOT to issue GARVEE bonds will allow DOT to leverage future federal funds on existing highway projects to expedite delivery, reduce costs, and deliver project benefits to the public earlier.

While your Committee notes that numerous questions remain on the establishment and implementation of the program contained in this measure, including the possible need for a State constitutional amendment, this measure deserves future consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1039 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 457            Transportation on H.B. No. 1266**

The purpose of this bill is to develop alternative means of transportation between islands in the State by:

- (1) Providing a non-refundable individual or corporate income tax credit of five percent of the income tax liability of the principal operator of an inter-island ferry; and
- (2) Allowing the Department of Transportation (DOT) to reduce harbor fees by fifty percent for any company operating an inter-island ferry vessel.

The DOT, Department of the Attorney General (Attorney General), Department of Taxation, and Tax Foundation of Hawaii provided comments on this bill.

Hawaii is an island state that depends, almost exclusively, on air transportation for travel between islands. While this type of transportation service has been provided to the people of Hawaii for decades, an alternative form of transportation between islands to carry people, motor vehicles, and cargo would be beneficial. The operation of a ferry will not only offer the public a new transportation option, but businesses that currently use other forms of shipping will also be given the opportunity to use this alternative means of travel to get their goods to market. Thus, allowing the establishment of a different method of travel between the Hawaiian Islands is in the public interest.

The concept of an inter-island ferry is not new; an inter-island ferry currently operates within Maui County. Also, during the 1970s, an attempt was made to start a passenger-only inter-island ferry service. However, a number of unforeseen circumstances led to the demise of this service. With vast waterways between our islands that could serve as a marine highway, it is logical that Hawaii should have an inter-island ferry system and this measure looks at providing incentives for start up operations of this ferry service.

However, your Committee notes that the Attorney General raised concerns that, as currently drafted, the proposed bill may pose constitutional questions as the tax credit would specifically apply to resident taxpayers and not taxpayers in general. Accordingly, your Committee has amended this bill to remove the resident designation.

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. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1266, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 458            Transportation on H.B. No. 1373**

The purpose of this bill is to maintain the solvency of the State Highway Fund and improve the State's ability to construct, operate, and maintain the State Highway System by:

- (1) Assessing the state fuel tax based on a percentage of the weighted wholesale price per gallon of gasoline and average wholesale price per gallon of diesel oil rather than cents per gallon;
- (2) Requiring the Public Utilities Commission (PUC) to determine the weighted wholesale price per gallon of gasoline and gallon of diesel oil on a monthly basis; and
- (3) Establishing a formula for the PUC to use when determining the weighted wholesale price for gasoline.

The Department of Taxation and Tax Foundation of Hawaii provided comments on this bill.

Hawaii's highway system, which consists of over 2,400 lane miles of roadway, is facing numerous repair and maintenance issues. With the downturn in both the national and State economies over the last several years, State Highway Fund monies have continued to be negatively impacted, with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. As a result, our land transportation system has failed to address increased transportation demands with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for even routine maintenance and operation of our roadways, let alone the construction of new and necessary roadways and appurtenances.

While questions remain as to the positive financial impact this measure will have on the State Highway Fund, it deserves further consideration. Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1373, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 459            Transportation on H.B. No. 1510**

The purpose of this bill is to improve roadway safety, specifically the safety of Honoapiilani Highway in the County of Maui, by appropriating monies for the installation of centerline road rumble strips to protect drivers from head-on collisions and road run-offs.

The Maui Bicycle Alliance testified in support of this bill. The Department of Transportation supported the intent of this measure.

Many geographically isolated areas of Hawaii are accessible by a single access route. One such area is West Maui which is connected to the rest of the island by the Honoapiilani Highway. Unfortunately, head-on collisions and vehicles running off the road frequently occur along this highway due to speeding and inattentive drivers, often resulting in lengthy road closures. Your Committee finds that the use of rumble strips to alert distracted or impaired drivers will help reduce the chances of these types of incidents occurring and minimize their impacts.

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. 1510 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Aquino.

**SCRep. 460            Transportation/Agriculture on H.B. No. 1567**

The purpose of this bill is to protect Hawaii's natural environment from the threat of invasive species by:

- (1) Requiring the Department of Transportation (DOT) to provide, design, construct, and operate biosecurity inspection facilities at Honolulu International Airport, Kona International Airport at Keahole, and Hilo International Airport to inspect air cargo; and
- (2) Appropriating funds from the Airport Revenue Fund for the design, construction, and operation of the biosecurity inspection facilities.

The Nature Conservancy of Hawaii, Hawaii Farm Bureau Federation, Hawaii Floriculture and Nursery Association, Coordinating Group on Alien Pest Species, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources and Department of Agriculture (DOA) supported the intent of this measure. DOT, The Airlines Committee of Hawaii, and a concerned individual opposed this bill.

Hawaii is an island State with numerous delicate ecosystems that can be decimated by the introduction of an invasive species including noxious weeds, insects, and other pests. This not only poses a threat to Hawaii's natural environment but also impacts our economy, agricultural industry, and health and lifestyle of our residents. Unfortunately, Hawaii is also one of the most isolated populated land masses in the world which requires that we import a majority of the products we use. This creates transportation pathways for invasive species to arrive in our State. Stopping the threat of invasive species at these ports of entry by constructing and operating biosecurity facilities is the most effective and economical means of protecting our islands.

The biosecurity facilities will also serve as a barrier to the exporting of invasive species to other parts of the world which could result in embargos and quarantines of produce and other goods from Hawaii. Proper inspection facilities will provide safeguards against this and will also assist the agricultural industry in alleviating the delays experienced when shipping perishable items out-of-state.

However, your Committees note the concerns raised by DOT that the use of airport revenue funds for the construction of biosecurity facilities may be in conflict with federal law which requires these funds to be used for capital and operating costs of the airport, airport system, or facilities devoted to air transportation. Nevertheless, your Committees find that this matter is of the utmost importance for the health and welfare of our State and respectfully

request that DOT consult with the Federal Aviation Administration and the State Attorney General on whether airport revenue funds can be used for this purpose. Your Committees also request that DOT continue to work closely with DOA and also with the Department of Budget and Finance to seek other possible sources of funding for this matter.

Your Committees have amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1567, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1567, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Tokioka.

**SCRep. 461            Transportation/Agriculture on H.B. No. 1568**

The purpose of this bill is to protect Hawaii's natural environment from the threat of invasive species and assist Hawaii's agricultural industry by:

- (1) Requiring the Aloha Tower Development Corporation (ATDC) to provide space, planning and design support, and other infrastructure at the Aloha Tower Complex to the Department of Agriculture (DOA) for biosecurity and inspection facilities to meet the various needs of the island of Oahu's agricultural industry;
- (2) Requiring the Department of Transportation (DOT) to provide space, planning and design support, and other infrastructure at Honolulu International Airport, Kona International Airport at Keahole, Hilo International Airport, Kahului Airport, and Lihue Airport to DOA for biosecurity and inspection facilities to meet the various needs of each islands agricultural industry;
- (3) Requiring DOT to provide space, planning and design support, and other infrastructure at Honolulu Harbor, Hilo Harbor, Kawaihae Harbor, Kahului Harbor, and Nawiliwili Harbor for biosecurity and inspection facilities to meet the various needs of each islands agricultural industry; and
- (4) Appropriating funds for DOA to reimburse ATDC and DOT for the establishment of the biosecurity inspection facilities.

The Nature Conservancy, Hawaii Farm Bureau Federation, Hawaii Floriculture and Nursery Association, and Coordinating Group on Alien Pest Species testified in support of this bill. The Department of Land and Natural Resources and DOA supported the intent of this measure. The Airlines Committee of Hawaii and a concerned individual opposed this bill. DOT provided comments.

Hawaii is an island state with numerous delicate ecosystems that can be decimated by the introduction of an invasive species including noxious weeds, insects, and other pests. This not only poses a threat to Hawaii's natural environment but also impacts our economy, agricultural industry, and the health and lifestyle of our residents. Unfortunately, Hawaii is also one of the most isolated populated land masses in the world which requires that we import a majority of the products we use. This creates transportation pathways for invasive species to arrive in our State. Stopping the threat of invasive species at these ports of entry by constructing and operating biosecurity facilities is the most effective and economical means of protecting our islands.

The biosecurity facilities will also serve as a barrier to the exporting of invasive species to other parts of the world which could result in embargos and quarantines of produce and other goods from Hawaii. Proper inspection facilities will provided safeguards against this and will also assist the agricultural industry in alleviating the delay experienced when shipping perishable items out-of-state.

Your Committees have amended this bill by:

- (1) Clarifying that the biosecurity and inspection facilities at the Aloha Tower Complex are intended to meet the needs of Hawaii's agricultural industry in general and not only the island of Oahu's agricultural industry;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1568, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1568, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Tokioka.

**SCRep. 462            Education on H.B. No. 691**

The purpose of this bill is to help mitigate youth suicide in Hawaii by appropriating general funds to the Department of Education (DOE) for suicide prevention services.

The Hawaii Youth Services Network and a concerned individual supported this bill. DOE supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Inserting an appropriation amount of \$120,000;

- (2) Specifying that the appropriation is to be used for the restoration of a peer education program resource teacher and a full time clerk-typist to support suicide prevention services within DOE; 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. 691, 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. 691, H.D. 2.

Signed by all members of the Committee.

**SCRep. 463            Education on H.B. No. 1380**

The purpose of this bill is to encourage the use of local produce in Hawaii schools by:

- (1) Establishing a farm-to-school program in the Department of Education (DOE) to increase procurement of locally-grown fruits and vegetables;
- (2) Establishing the Hawaii-grown fresh fruit and vegetable program in DOE to facilitate the consumption of locally-produced nutritious snacks to improve student health and expand the market for locally-grown produce; and
- (3) Authorizing schools to grow food in school gardens for consumption in schools.

This bill also requires the Department of Human Services to establish a pilot program to contract with local farmers to provide Hawaii-grown produce to low-income individuals through designated food banks.

The Secondary Student Conference 2008; Sierra Club-Hawaii Chapter; American Cancer Society; and many concerned individuals supported this bill. The Hawaii Farm Bureau Federation, Hawaii Nutrition and Physical Activity Coalition, Maui Cattlemen's Association, and a concerned individual supported this measure with amendments. The Department of Agriculture (DOA), Hawaii Association of Independent Schools, and several concerned individuals supported the intent of this bill. DOE provided comments.

Your Committee has amended this bill by:

- (1) Placing the Farm-to-School Program in DOA rather than DOE;
- (2) Inserting an unspecified appropriation to be expended by DOE for the Hawaii-grown Fresh Fruit and Vegetable Program;
- (3) Requiring that food from school gardens used for consumption must be food safety certified by DOA; 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. 1380, 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. 1380, H.D. 2.

Signed by all members of the Committee.

**SCRep. 464            Higher Education on H.B. No. 902**

The purpose of this bill is to improve access to health care in Hawaii, particularly in rural areas, by establishing the Hawaii Medical Doctor Loan Program. Specifically, the Program will provide a low interest loan with waiver provisions to individuals who agree to practice in rural areas of the State, as designated by the University of Hawaii (UH), and who are also:

- (1) Students who complete a State-approved medical school program at UH; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program.

The Hawaii Medical Association supported this bill. The UH System and Department of Budget and Finance provided comments.

Your Committee notes that there appears to be some ambiguity in the language appropriating funds from the Hawaii Medical Doctor Loan Program revolving fund established by this measure and respectfully requests the Committee on Finance to review this section of the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 465            Higher Education on H.B. No. 1330**

The purpose of this bill is to provide continued support to the John A. Burns School of Medicine (JABSOM) by extending the authorization that allocates a portion of Hawaii Tobacco Settlement Special Fund moneys to fund JABSOM operating expenses.

The University of Hawaii System, University of Hawaii Cancer Center, Healthcare Association of Hawaii, Hawaii Medical Association, The Queen's Health Systems, Hawaii Pacific Health, Hawaii Medical Service Association, and The Chamber of Commerce of Hawaii supported this bill. The Coalition for a Tobacco-Free Hawaii opposed this measure. The Department of Health and American Cancer Society 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 H.B. No. 1330, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Belatti, Takai and Takumi voted no.)

**SCRep. 466 Higher Education on H.B. No. 1326**

The purpose of this bill is to help increase the University of Hawaii's (UH) accountability for meeting the educational needs of the State by requiring UH to periodically review state needs related to higher education outcomes and indicators and monitor and report biennially on its progress toward achieving the outcomes.

The UH System supported this bill.

Your Committee has amended this bill by requiring:

- (1) The University of Hawaii Board of Regents (Board) to periodically review and recommend amendments to the priority guidelines for quality education under section 226-107, Hawaii Revised Statutes;
- (2) The Board to develop a functional plan, including strategic goals, outcomes, and performance indicators, to implement state policies for education;
- (3) The functional plan to include the objectives required under the previously-defined benchmarks;
- (4) The Board to apply the functional plan in the development of their budget request to the Legislature; and
- (5) The University to submit a biennium report on the functional plan in the second year of each fiscal biennium.

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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1326, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 467 Higher Education on H.B. No. 1327**

The purpose of this bill is to help increase the efficiency of the University of Hawaii Board of Regents by requiring the election of up to two vice-chairpersons, in addition to the chairperson, at a meeting preceding July 1.

The University of Hawaii Board of Regents provided comments on this measure.

Your Committee has amended this measure by:

- (1) Including additional housekeeping amendments to repeal provisions concerning the Board of Regents Candidate Advisory Council which are now moot; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1327, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 468 Tourism on H.B. No. 809**

The purpose of this bill is to:

- (1) Increase temporarily--from July 1, 2011, to June 30, 2015--the transient accommodations tax (TAT) rate assessed on the occupants of resort time share vacation units by two percent; and

- (2) Deposit the revenues collected from the increase into the general fund.

The Department of Taxation supported this bill. The American Resort Development Association-Hawaii; Wyndham Worldwide; PAHIO Development, Inc.; Marriott Vacation Club International; Resort Owners' Coalition of the American Resort Development Association; Starwood Vacation Ownership; Walt Disney Parks and Resorts; and a concerned individual opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the two percent increase in the TAT rate to an unspecified amount;
- (2) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the definition of fair market rental value may need to be clarified.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 809, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 469 Labor & Public Employment on H.B. No. 1038**

The purpose of this bill is to provide retirement benefits for State and county employees who become members of the Employees' Retirement System (ERS) of the State of Hawaii after June 30, 2012, that are different from the retirement benefits of current employees. Changes for employees who become members of ERS after June 30, 2012, include raising the employee contribution rates, increasing the period for calculating average final compensation from three years to five years, and increasing the vesting period from five to ten years.

The ERS Board of Trustees supported this bill. The Department of Budget and Finance supported the intent of the measure. The City and County of Honolulu and the Hawaii Fire Fighters Association provided comments. The University of Hawaii Professional Assembly opposed this bill.

If the public employee retirement benefit structure is not changed:

- (1) The financial soundness of the retirement system will be threatened;
- (2) Public employer costs will become increasingly burdensome to the employers and ultimately to the taxpayers; and
- (3) Vital government programs may be jeopardized because of the need to use operational funds to pay for employee benefits.

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. 1038, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1038, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 470 Labor & Public Employment on H.B. No. 946**

The purpose of this bill is to combat human trafficking by:

- (1) Establishing the offense of human trafficking in the first degree;
- (2) Establishing the offenses of sexual human trafficking in the first and second degrees;
- (3) Establishing civil actions for damages for victims of human trafficking; and
- (4) Including sexual human trafficking among the offenses that the Attorney General is to give greatest priority to in providing security, protection, and funding under the Statewide Witness Program.

Pacific Survivor Center, Life of the Land, Hawaii Catholic Conference, Hawaii Family Forum, and Fracturedpolitics testified in support of this bill. ILWU Local 142 testified in support of this bill, with a suggested amendment. The Pacific Alliance to Stop Slavery and Equality Now testified in opposition to this bill. The Department of Labor and Industrial Relations Office of Community Services and the Polaris Project commented on the 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. 946, H.D. 1, and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 471 Labor & Public Employment on H.B. No. 577**

The purpose of this bill is to address concerns regarding labor trafficking in the State by establishing:

- (1) The offense of labor trafficking in the first and second degrees;
- (2) Additional sentencing considerations by the court for victims held in servitude;
- (3) Extended terms of imprisonment for labor trafficking offenses;
- (4) Restitution for victims of labor trafficking;
- (5) The offense of nonpayment of wages if a person, as an employer of an employee, wilfully or with intent to defraud fails or refuses to pay wages to the employee; and
- (6) The offense of unlawful conduct with respect to documents under the labor trafficking law.

The Department of Labor and Industrial Relations Office of Community Services, Equality Now, the Pacific Alliance to Stop Slavery, GiRL FeST Hawaii, Legacy of Life Hawaii, Hina Mauka Recovery Center, Soroptimist Int'l of Waikiki Foundation, Inc., Imago Dei Christian Community, King Surf Hawaii and Ala Moana Surfboards, Polaris Project, and numerous concerned individuals testified in support of this bill.

Upon consideration, your Committee has amended this bill by:

- (1) Removing references to "political subdivision" and "State" from the definition of "person"; and
- (2) Stipulating that a person commits unlawful conduct with respect to documents if the person knowingly destroys, conceals, removes, or confiscates any actual or purported government identification document of an 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 H.B. No. 577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 577, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 472 Labor & Public Employment on H.B. No. 1041**

The purpose of this bill, as received by your Committee, is to eliminate Medicare Part B reimbursements, effective July 1, 2011, for employee-beneficiaries who are retired employees; employee-beneficiary spouses while the spouse's employee-beneficiary is living; and employee-beneficiary spouses, after the death of the employee-beneficiary, if the spouse qualifies as an employee-beneficiary.

For purposes of a public hearing on this bill, your Committee circulated a proposed H.D. 1 and notified the public that it would be accepting testimony on the proposed H.D. 1. The proposed H.D. 1 amends the original version of the bill that was received by your Committee, by deleting the contents of the original bill version, and providing instead for the elimination of Medicare Part B reimbursements for employee-beneficiaries and spouses of employee-beneficiaries hired after June 30, 2011.

Your Committee received testimony from organizations and individuals on the proposed H.D. 1 version of the bill, as follows:

- (1) The Governor and numerous concerned individuals testified in support of this bill;
- (2) The Hawaii State Teachers Association and two individuals testified in opposition to this measure; and
- (3) The City and County of Honolulu Department of Budget & Fiscal Services, University of Hawaii Professional Assembly, and several concerned individuals submitted comments.

Your Committee also received testimony from organizations and individuals on the original version of the bill, as follows:

- (1) The Department of Budget and Finance testified in support of this bill; and
- (2) Numerous concerned citizens opposed this measure.

Upon careful consideration, your Committee has amended the proposed H.D. 1 version of the bill by:

- (1) Including provisions whereby employee-beneficiaries will be entitled to receive up to 90 percent of Medicare Part B reimbursements, based on their year or years of credited service on June 30, 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1041, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Luke.



(Representative Souki voted no.)

**SCRep. 473 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 1166**

The purpose of this bill is to sustain worker retention in the event of a divestiture of a covered establishment if the covered establishment employs 50 or more people by requiring the successor employer to hire all incumbent nonsupervisory and nonconfidential employees, unless:

- (1) The business of the successor employer is substantially dissimilar to the former employer's business; or
- (2) The human resource needs of the successor employer are reduced, resulting in the reduction of employees needed; provided that the number of employees to be dislocated is in direct proportion to the reduction in the total human resource needs of the successor employer.

The Hawaii State AFL-CIO, ILWU Local 142, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations supported the intent of this bill. The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, and National Federation of Independent Business opposed this measure.

In today's unstable economy, potentially increasing unemployment through the divestiture of business entities with no assurance of continued employment for its workers, could result in less money in the economy and diminished employee loyalty. Moreover, by minimizing disruption when a divestiture occurs, the employer is better suited to continue operations with employees who already have the skills to perform the job and thus, less time is spent retraining new employees.

However, requiring employers to retain employees in the event of a divestiture has the potential to negatively impact the ability of struggling companies, especially small businesses, to survive through the sale of an ongoing operation. Therefore, your Committees find that providing employers incentives to retain employees may help with extending business longevity.

Your Committees have amended this bill by:

- (1) Providing the successor employer, in the event of a divestiture of a covered establishment, a tax credit for retaining all incumbent nonsupervisory and nonconfidential employees for at least a year;
- (2) Increasing the amount of employees employed by a covered establishment from 50 to 100; 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 Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1166, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1166, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 474 Labor & Public Employment/Economic Revitalization & Business on H.B. No. 837**

The purpose of this bill is to authorize an individual attached to a regular employer, who is not offering work, to receive unemployment insurance benefits even if the individual voluntarily or involuntarily separates from part-time employment, with or without good cause.

The ILWU Local 142; and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports this bill. The Department of Labor and Industrial Relations (DLIR) opposed this measure as drafted and suggested alternate options. The Chamber of Commerce of Hawaii opposed this measure.

One of the goals of this measure is to encourage people who are still attached to a full-time employer but for whom there is no work, to look for positions, generally part-time, while they wait for employment from their full-time employer. If the person then leaves the part-time employment, under current law their unemployment benefits would be at risk and probably lost. This result may be justified for those who lose their part-time employment for misconduct or who quit their part-time employment without good cause. However, your Committees agree with the Director of Labor and Industrial Relations that if a person has good cause to leave part-time employment, the person's unemployment benefits should not be adversely affected. Under such circumstances, an employee should be held to the same standard as anyone who loses a job and applies for unemployment benefits. Therefore, your Committees have amended this bill by inserting the proposed language from DLIR which addresses that issue.

Your Committees also made technical amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 475 Human Services on H.B. No. 56**

The purpose of this bill is to clarify the process for a petition of grandparents' visitation rights by:

- (1) Changing the criteria under which a court may award reasonable visitation rights to a grandparent;
- (2) Establishing a rebuttable presumption that a parent's decision regarding visitation is in the best interest of the child; and
- (3) Including factors the court may consider when ruling on a visitation petition.

Several concerned individuals supported this bill. A concerned individual opposed this measure. The American Civil Liberties Union of Hawaii, AngelGroup, and a concerned individual provided comments.

Although your Committee acknowledges the concerns raised by testifiers on this measure, these concerns appear to fall outside of the scope of the Committee on Human Services. As such, your Committee respectfully requests the Committee on the Judiciary, should it choose to hear this bill, to consider the following:

- (1) Whether there should be a minimum age for a child before a grandparent may petition for visitation, and if so, what that age should be;
- (2) Whether the following factors should be included in the list of those the court may consider when ruling on a visitation petition:
  - (A) The preference of the child, if the court finds the child is to be of sufficient maturity to make this decision;
  - (B) The mental and physical health of the child;
  - (C) The mental and physical health of the grandparent or great-grandparent;
  - (D) The good faith of the party in filing the petition;
  - (E) The good faith of the person denying the visitation;
  - (F) The quantity of visitation time requested and the potential for adverse impact the visitation may have on the child's customary activities; and
  - (G) Whether the grandparent or great-grandparent was a primary caretaker of the child for a period of no less than six consecutive months; and
- (3) Whether the right to petition should be extended to include civil unions.

Your Committee also notes the concerns raised regarding custody and visitation where issues of domestic violence are present. The parents of an abuser may not take safety concerns seriously and thus may expose a child to harm. The current language of the measure, however, does not distinguish between grandparents when granting the right to submit a petition for visitation. Consequently, your Committee respectfully requests that the Committee on Judiciary also consider whether an exemption should be included in cases involving domestic violence.

Your Committee has amended this bill by:

- (1) Changing the standard of evidence required to clear and convincing evidence to rebut the rebuttable presumption that a parent's decision regarding visitation is in the best interest of the child;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Yamane and Ching.

**SCRep. 476 Human Services on H.B. No. 616**

The purpose of this bill is to, among other things:

- (1) Enhance visitation rights awarded to a parent by including electronic communication as a means of communication;
- (2) Define electronic communication;
- (3) Establish factors that shall be considered when determining whether visitation by electronic communication is in the best interest of the child; and
- (4) Authorize the court to set guidelines in awarding visitation by electronic communication.

Several concerned individuals testified in support of this bill. AngelGroup and several concerned individuals provided comments.

Your Committee realizes the importance of enhancing parent-child relationships that are subject to a distance or time difference. However, in regards to domestic violence cases, there is the potential for an abuser to use this new avenue to maintain power and control over the victim once they no longer have direct access to the victim. Moreover, electronic communication, such as Skype, could reveal the location of a victim in hiding.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 616, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 616, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Yamane and Ching.

**SCRep. 477 Human Services on H.B. No. 1003**

The purpose of this bill is to provide greater protection to victims of domestic violence by establishing first and second degree murder, second degree assault, and first degree terroristic threatening for a person that causes death or bodily injury to a person or threatens a person who:

- (1) The defendant has been restrained, by order of any court from contacting, threatening, or physically abusing pursuant to domestic abuse protective orders; or
- (2) Is being protected by a police officer ordering the defendant to leave the premises of that protected person during the effective period of the restraining order.

The Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Police Department of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, County of Kauai Office of the Prosecuting Attorney, AngelGroup, and several concerned individuals testified in support of this bill. A concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Establishing that a person commits the offense of murder in the first degree if the person intentionally or knowingly causes the death of a person known by the defendant to be a witness in a family court case and the killing is related to the person's status as a witness;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Yamane and Ching.

**SCRep. 478 Human Services on H.B. No. 1407**

The purpose of this bill is to aid adoptees in gaining access to their family and medical history by:

- (1) Requiring that the name or names of either or both of the natural parents be included on birth certificates amended in the case of adoption; and
- (2) Allowing access to sealed adoption records to those who are parties to the adoption.

Korean Adoptees of Hawaii, Adoption Circle of Hawaii, and numerous concerned individuals testified in support of this bill. The Judiciary offered comments.

Your Committee acknowledges that testimony submitted by the Judiciary notes concerns with eliminating the birth parents' option of anonymity in adoptions, since this mandate may be at odds with constitutionally protected rights of privacy for the adoptee, the adoptive parents, and the birth parents. Moreover, clarification may be needed to indicate that new provisions pertaining to confidentiality of adoptions records are to be applied to new adoption cases only, if this is the Legislature's intent.

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. 1407 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, C. Lee and Wooley.

**SCRep. 479 Human Services on H.B. No. 727**

The purpose of this bill is to help provide necessary social safety net services during an extended period of economic difficulty by appropriating Temporary Assistance for Needy Families monies to fund cash benefits, employment training and family stability programs, and teenage pregnancy education programs.

Goodwill Industries of Hawaii, Inc.; Hawaii Youth Services Network; Planned Parenthood of Hawaii; About Face Family of Programs; Workforce Development Molokai; and several concerned individuals supported this bill. The Department of Human Services (DHS) supported the intent of this measure. The Department of Labor and Industrial Relations and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Making DHS the non-exclusive expending agency for appropriations for teenage pregnancy education programs and employment training programs and other services enabling families receiving benefits to remain intact permissive;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 727, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Wooley.

**SCRep. 480 Human Services on H.B. No. 769**

The purpose of this bill is to effectuate a balance among the varied needs of Hawaii's aged population by allowing the Department of Human Services (DHS) to establish a temporary demonstration project that:

- (1) Permits two private-pay individuals to be cared for in the same community care foster family home; and
- (2) Is monitored by DHS regarding its effects on space availability for Medicaid clients in the community care foster family homes.

The Adult Foster Homecare Association of Hawaii and several individuals testified in support of this measure. DHS opposed 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. 769, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee, Yamane and Ching.

**SCRep. 481 Human Services on H.B. No. 1121**

The purpose of this bill is to establish a minimum term of imprisonment, for which an extended term of imprisonment is not given, for a person who, in the course of committing or attempting to commit a felony, causes the death or inflicts serious or substantial bodily injury upon pregnant women, and such status is known or reasonably should be known to the defendant.

A concerned individual testified in support of this bill. The Office of the Public Defender, American Civil Liberties Union of Hawaii, and a concerned individual testified in opposition to this measure. Planned Parenthood of Hawaii and a concerned individual submitted comments.

Your Committee understands that this is not a right to life issue and emphasizes that pregnant women are treated as another protected class.

Your Committee has amended this bill by:

- (1) Establishing that a term of imprisonment and criteria for extended terms of imprisonment for a person who, in the course of committing or attempting to commit a felony, causes the death or inflicts serious or substantial bodily injury upon a person who is pregnant, shall not apply to:
  - (A) Legal abortions performed by healthcare workers and social and healthcare workers who administer emergency contraceptive pills; and
  - (B) Abortions performed by pregnant women on themselves;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the 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. 1121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1121, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 482 Energy & Environmental Protection on H.B. No. 1473**

The purpose of this bill is to provide an environmentally friendly strategy for the lighting of Hawaii's roads and highways by requiring the installation of full-cutoff or semi-cutoff lighting fixtures on all outdoor lighting to direct the lighting downward.

A concerned individual testified in support of this bill. The University of Hawaii System, Department of Design and Construction of the City and County of Honolulu (DDC), and Hawaii Starlight Reserve Committee testified in support of the intent of this measure. The Department of Transportation (DOT) opposed this measure.

The use of full-cutoff or semi-cutoff lighting fixtures on Hawaii's roadways and highways will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security. These types of fixtures are also environmentally friendly and reduce the impact of non-shielded roadway lighting on endangered species.

However, DOT noted that installation of these lighting fixtures will have fiscal implications because it will require the installation of additional light poles to safely illuminate a roadway. While your Committee appreciates this fact, and the fact that DOT must meet federal highway standards that dictate the amount of illumination necessary for roadway safety, this matter deserves further discussion. Additionally, your Committee notes that similar concerns were raised by DDC regarding the practical implications of the lighting fixture requirement. Providing certain, specific exemptions to this requirement may address these concerns.

Your Committee has amended this bill by:

- (1) Specifying the illumination standard a full-cutoff or semi-cutoff lighting fixture should provide;
- (2) Providing an exemption from the use of full-cutoff or semi-cutoff lighting fixtures in instances where it is not practical due to light pole spacing; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Finally, your Committee respectfully requests that DOT research the benefits of performance contracting that will save energy costs, when planning and developing future projects.

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. 1473, 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. 1473, H.D. 2.

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

**SCRep. 483 Energy & Environmental Protection/Economic Revitalization & Business on H.B. No. 998**

The purpose of this bill is to protect Hawaii's environment and address the inherent economic and environmental costs associated with the use of disposable checkout bags. Among other things, this measure:

- (1) Requires businesses in the State to charge and collect a 10-cent fee for each plastic disposable checkout bag provided to a customer and remit the fees collected to the Department of Health (DOH) on a monthly basis which shall deposit the fees into the Energy Sustainability Special Fund;
- (2) Authorizes businesses that develop their own disposable plastic checkout bag recycling program to retain 50 percent of the fees collected;
- (3) Provides penalties for businesses that violate the provisions of the disposable checkout bag fee law;
- (4) Preempts the ability of a county to regulate the use of disposable checkout bags unless the use of the bags are currently regulated by county ordinance; and
- (5) Establishes the Energy Sustainability Special Fund.

The Conservation Council for Hawaii, Na Pualani Learning Ohana, Surfrider Foundation, Windward Ahupua'a Alliance, and numerous concerned individuals testified in support of this bill. The Sierra Club-Hawaii Chapter, Hawaii Food Industry Association, Retail Merchants of Hawaii testified in support of the intent of this measure. DOH, the American Chemistry Council, and a concerned individual testified in opposition to this bill. The Department of Budget and Finance, Hawaii Restaurant Association, The Safeway Companies, and Times Supermarket provided comments.

Though disposable plastic checkout bags provide a convenient means of transporting goods for consumers, they are taxing on Hawaii's unique natural environment and ultimately taxing to our economy. Unfortunately, disposable plastic can frequently be found littering our roadways and taking up valuable space in overflowing landfills. Disposable plastic checkout bags also contribute greatly to marine debris, often posing a threat to marine life. Reducing the use of disposable plastic checkout bags will address these issues.

While your Committees recognize that the 10-cent fee may have an impact on businesses, a balance between the concerns of business and protecting the environment can be achieved.

Your Committee has amended this bill by:

- (1) Changing the term "disposable checkout bag" to "single-use checkout bag";
- (2) Including a paper package or sack in the definition of a "single use checkout bag";
- (3) Provides an exemption for bags used to transport prepared foods or bakery goods;
- (4) Reducing the fee required to be charged by businesses for each plastic disposable checkout bag provided to a customer from 10 cents per bag to 5 cents per bag;
- (5) Deleting the provision that authorizes businesses to develop their own disposable plastic checkout bag recycling program and retain 50 percent of the fees collected if they establish such a program;
- (6) Requiring the fees to be deposited to the general fund rather than the Energy Sustainability Special Fund;
- (7) Providing that, in counties where an ordinance regulating single-use checkout bags is in effect, the single use checkout bag fee shall be applicable only to single-use checkout bags made of paper; and
- (8) Deleting language establishing the Energy Sustainability Special Fund.

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 998, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 998, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Chang, Chong, Ito and Tokioka.  
(Representative Marumoto voted no.)

**SCRep. 484 Energy & Environmental Protection/Economic Revitalization & Business on H.B. No. 1521**

The purpose of this bill is to protect Hawaii's natural beauty, reduce electronic waste, and increase the recycling of electronics. Among other things, this bill:

- (1) Requires electronic device manufacturers to report annually to the Department of Health (DOH) on its sales, by weight, of certain electronic devices in the State to the extent known;
- (2) Requires DOH to determine an electronic device manufacturer's market share annually and establishes a formula for calculating market share;
- (3) Requires DOH to notify electronic device manufacturers of their recycling responsibility as required by law;
- (4) Removes the liability of electronic device manufacturers for any loss or misuse of electronic data or other information that may have been stored on an electronic device that is recovered or recycled;
- (5) Requires certain electronic devices to be recycled in accordance with all applicable federal, state, and county laws;
- (6) Requires state or county agencies that purchase or lease certain electronic devices to require prospective offerors to be in compliance with recycling and recovery requirements of electronic device manufacturers and certify this compliance or risk being disqualified as a prospective offeror;
- (7) Establishes, as a condition to an electronic device manufacturer's plan to establish, conduct, and manage a collection, transportation, and recycling program for electronic waste, a requirement that the plan provide for recycling certain electronic devices in an amount equal in weight to its market share of these electronic devices sold in the State;
- (8) Requires DOH to establish an electronic device recycling education program for consumers; and
- (9) Changes the penalty for failure of an electronic device manufacturer to recycle its market share allocation from 50 cents per pound for each pound not recycled to an unspecified amount per pound.

The Department of Public Works of the County of Kauai, Department of Environmental Management of the County of Maui, Sierra Club-Hawaii Chapter, and several concerned individuals testified in support of this bill. The Department of Environmental Services of the City and County of Honolulu, Department of Environmental Management of the County of Hawaii, and Retail Merchants of Hawaii testified in support of the intent of this measure. DOH, the Consumer Electronics Association, and the Information Technology Industry Council testified in opposition to this bill. Sims Recycling Solutions provided comments.

With the sale of ever increasing numbers of electronic devices such as computers and televisions, waste from these devices is a growing problem. Since many of these devices contain potentially toxic materials, removing them from landfills greatly reduces the chances that these materials will leach into the soil and groundwater. In addition, recycling electronic devices would result in the reuse of many valuable components and materials that are found in these devices. In an effort to reduce the amount of solid waste in Hawaii's waste stream and landfills, a mandatory recycling program for computers, televisions, and other electronic devices was established in 2008.

However, concerns have been raised that the statutorily established recycling program has confused consumers regarding their recycling options and at times has been an inconvenient burden for consumers resulting in their improper recycling of their electronics. This measure attempts to address these issues.

Your Committees note that county agencies responsible for overseeing solid waste and electronic waste disposal have stated that, although this measure is a step in the right direction, further clarifications and clear definitions of the minimum requirements for a manufacturer's recycling program need to be made. Accordingly, your Committees have amended this bill by:

- (1) Clarifying the definition of "covered electronic device" to include televisions with a diagonal screen size of nine inches or larger;
- (2) Changing the definition of "covered television" to simply "television", removing the television screen size requirement, expanding the definition to include any television marketed or intended for use by a person rather than a household, and deleting duplicative language establishing exemptions from the definition of "television" as these exemptions are presently encompassed in the definition of "covered electronic device";
- (3) Amending the definition of "covered entity" to include a person;
- (4) Deleting the definition of "household"; and
- (5) Amending the conditions placed on an electronic device manufacturer's plan to establish, conduct, and manage a collection, transportation, and recycling program for electronic waste by:
  - (A) Deleting language prohibiting the collection of fees if an electronic device is brought to a central location for recycling with certain exceptions for removal of the electronic device by an electronic manufacturer from an electronic owner's premises if the removal is not in conjunction with the delivery of a new device;
  - (B) Stipulating that the plan shall include a description of the methods for the convenient collection of covered electronic devices at no cost to the covered entities and shall provide collection services of covered electronic devices in each county of the state;
  - (C) Stipulating that, for United States Postal Zip Code areas with a population greater than 25,000, the plan shall provide at least one of the following services:
    - (i) A staffed drop-off site;
    - (ii) Alternative collection service such as on-site pick-up service; or
    - (iii) Collection events which are periodically held at an easily accessible, central location; and
  - (D) Prohibiting mail-back only plans.

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1521, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1521, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Chang, Chong and Ito.

**SCRep. 485 Energy & Environmental Protection/Consumer Protection & Commerce on H.B. No. 1176**

The purpose of this bill is to protect Hawaii's environment, attain Hawaii's independence from fossil fuel reliance, and support the implementation of Hawaii's renewable energy policy and goals. Among other things, this bill:

- (1) Establishes the regulatory structure under which inter-island undersea transmission cables for the transmission of electricity generated from renewable energy as its source could be commercially developed, financed, and constructed;
- (2) Requires a cable company wishing to install a high-voltage undersea transmission cable system to be certified by the Public Utilities Commission (PUC), establishes the criteria for certification, and provides a certification process;
- (3) Requires PUC to approve, by order, the tariff of the certified cable PUC company and establishes a process by which the tariff shall be requested and approved;
- (4) Establishes a surcharge mechanism to allow for the recovery of the high-voltage undersea transmission cable system costs;
- (5) Authorizes PUC to allow an electric utility company to purchase the high-voltage undersea transmission cable system through various means;
- (6) Entitles an electric utility company to recover the company's revenue requirement resulting from the costs that the company incurred in acquiring a high-voltage electric transmission cable system if it meets certain requirements; and

- (7) Exempts amounts received in the form of a surcharge by an electric utility company acting on behalf of a certified cable company from being included as the electric utility's:
- (A) Gross income when calculating the public service company tax;
  - (B) Gross receipts when calculating the public utilities franchise tax;
  - (C) Gross income, adjusted gross income, and taxable income when calculating the electric utility's income tax; and
  - (D) Gross income when calculating the electric utility's public utilities fee.

Hawaiian Electric Company testified in support of this bill. The Department of Business, Economic Development, and Tourism, and Hawaii Renewable Energy Alliance testified in support of the intent of this measure. The Mayor of the County of Maui, Friends of Lanai, Hawaii Community Stewardship Network, Hawaii's Thousand Friends, Life of the Land, Native Hawaiian Legal Corporation, and numerous concerned individuals opposed this bill. PUC and Blue Planet Foundation provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation with a majority of our oil being imported. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel and price volatility can negatively impact the environment and economic health of the people of Hawaii. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets.

Increasing energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation. Hawaii's clean energy policy also mandates and strongly promotes the use of renewable energy resources. As the amount and forms of renewable energy differentiates from island to island, establishing an undersea cable capable of transmitting renewable energy generated electricity between islands would help Hawaii achieve its clean energy goals.

However, your Committee does note the concerns raised regarding the establishment of a high-voltage undersea transmission cable system and has amended this bill by:

- (1) Amending the definitions of "cable company", "cable purchase contract", "certified cable company", "commercial operations", "on-island transmission infrastructure", and "request for proposals";
- (2) Inserting new definitions for "cable acquisition cost", "cable surcharge", "commercial operations date", "cost effective", "energy resources coordinator", "expected commercial operations date", "power purchase agreement", and "project-on-project financing risk";
- (3) Designating the State Energy Resources Coordinator to review and evaluate the request for proposals (RFP);
- (4) Clarifying that certification of a cable company wishing to install a high-voltage undersea transmission cable system by PUC shall be as a public utility;
- (5) Stipulating that a certified cable company applicant shall be selected through a RFP or other process approved by PUC;
- (6) Clarifying that PUC shall either approve, disapprove, or approve subject to conditions an application for a certificate of public convenience and necessity rather than simply issue the certificate;
- (7) Eliminating the provision that the fitness of a cable company be determined through an RFP process;
- (8) Allowing rather than requiring PUC to use commercially reasonable, non-recourse project financing for the high-voltage undersea transmission cable system in determining whether an applicant is financially fit;
- (9) Providing PUC with increased flexibility in determining whether high-voltage undersea transmission cable system will be cost effective;
- (10) Expanding the considerations and factors the PUC is required to take into consideration in reviewing and approving an application for certification in situations where the primary source of the renewable electricity that will be transmitted to an electric utility company or companies using the high-voltage electric transmission cable system will be provided pursuant to a power purchase agreement between an electric utility company and an owner of a new renewable generation facility;
- (11) Requiring the ratemaking principles developed by PUC be used in determining the certified cable company's revenue requirement, to determine its transmission capacity charges;
- (12) Allowing the ratemaking principles developed by PUC to be used to fix capital investment costs on which the certified cable company will be allowed to earn an authorized rate of return and the operating costs that may be included in the company's revenue requirement;
- (13) Allowing, rather than requiring, PUC to consider risks assumed by a certified cable company during the predevelopment, development, and commercial operations period related to the high-voltage undersea transmission cable system, along with other factors, in determining the authorized rate of return for the company;
- (14) Clarifying that PUC shall either approve, disapprove, or approve subject to conditions the tariff of the certified cable company rather than simply approving the tariff by order;



- (15) Stipulating that the tariff shall specify the terms and conditions under which the certified cable company will be entitled to receive revenues collected through a cable surcharge;
- (16) Requiring PUC to establish a cable surcharge rather than a cable surcharge mechanism;
- (17) Requiring PUC to determine and approve the status of a high-voltage undersea transmission cable system as "used or useful for public utility purposes";
- (18) Allowing an electric utility company to recover costs associated with acquiring a high-voltage undersea transmission cable system if the acquisition is approved by PUC;
- (19) Stipulating that the on-island transmission infrastructure needs to be available for service prior to the commercial operations date of the high-voltage undersea transmission cable system; and
- (20) Clarifying that the exemption of amounts received in the form of a surcharge from various taxes is specific to the cable surcharge.

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1176, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1176, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong, Har, Luke, Morita, B. Oshiro, Souki and Ching.  
(Representative Thielen voted no.)

**SCRep. 486            Health on H.B. No. 1046**

The purpose of this bill is to, among other things, authorize the Insurance Commissioner to enforce federal law with respect to accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations (HMOs).

The Department of Commerce and Consumer Affairs testified in support of this measure. Hawaii Medical Service Association testified in support of the intent of this bill.

Your Committee notes that the Patient Protection and Affordable Care Act (ACA) relies on state insurance commissioners to assist the U.S. Department of Health and Human Services with implementing many provisions of the federal law. However, your Committee believes that the extent of authority granted by this bill may be overly broad.

Accordingly, your Committee has amended this bill by:

- (1) With respect to accident and health or sickness insurers, mutual benefit societies, and HMOs, requiring instead that the Insurance Commissioner enforce the consumer protections and market reforms, as set forth in the ACA, that relate to insurance; and
- (2) Making technical, nonsubstantive amendments for clarity, consistence, 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. 1046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1046, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 487            Health on H.B. No. 1344**

The purpose of this bill is to preserve the availability of poi prepared through customary and traditional Hawaiian cultural food-preparation practices by exempting an individual producer of hand-pounded poi from state food-safety laws when selling directly to consumers as long as the producer abides by specified conditions.

The Office of Hawaiian Affairs, Environmental Caucus of the Democratic Party of Hawaii, Sierra Club-Hawaii Chapter, Papa Ola Lokahi, and many concerned individuals supported this bill. A concerned individual opposed this measure. The Department of Health (DOH) and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Including definitions for "hand-pounded", "pahaku kui ai", and "papa kui ai";
- (2) Authorizing DOH to issue a cease and desist notice to terminate any distribution or sale of poi if DOH receives complaints of a public health concern after a public hearing is conducted;
- (3) Requiring that working sinks be maintained at hand pounding sites;

- (4) Changing the consumer advisory statement to read, "This hand pounded taro product was not prepared in a Department of Health approved facility, and may increase your risk of food borne illness";
- (5) Changing the effective date to July 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1344, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.B. No. 1344, H.D. 2.

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

**SCRep. 488            Health on H.B. No. 863**

The purpose of this bill is to continue to work toward providing health care to all residents of the State by providing the Hawaii Health Authority with an additional year to submit a comprehensive health plan for all individuals in the State.

The Hawaii Medical Association, Healthcare for All Hawaii, and numerous concerned individuals testified in support of this bill. The Hawaii Medical Service Association 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. 863 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 Ching.

**SCRep. 489            Health on H.B. No. 1654**

The purpose of this bill is to address the continued need for group living facilities in residential communities. Specifically, this measure provides for the termination of a conditional use permit issued by a county agency for the operation of a group living facility if the group living facility ceases operations, or fails to commence operations within one year of the issuance of the conditional use permit, whichever is sooner.

Several concerned individuals testified in support of this bill.

Your Committee has amended this bill by providing a grace period of one year for the automatic termination of a conditional use permit for group living facilities that cease operations.

As affirmed by the 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. 1654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1654, 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 Ching.

**SCRep. 490            Health on H.B. No. 1494**

The purpose of this bill is to help protect the public health by:

- (1) Requiring condominium associations to adopt bylaws or rules prohibiting smoking in all common elements and limited common elements that are covered; and
- (2) Authorizing condominium association to adopt bylaws or rules to prohibit smoking within condominium dwelling units.

A concerned individual supported this bill. The Coalition for a Tobacco-free Hawaii supported the intent of this measure. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Removing language authorizing condominium associations to adopt bylaws or rules to prohibit smoking within condominium dwelling units;
- (2) Requiring condominium associations to designate a covered and accessible smoking area along with their adoption of bylaws and rules prohibiting smoking in common elements; 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. 1494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1494, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 491          Health on H.B. No. 1088**

The purpose of this bill is to establish procedural safeguards to enable the Department of Public Safety (DPS) to render necessary medical and mental health treatment to the inmates and detainees in its custody in an efficient manner, even when those inmates or detainees refuse treatment.

Specifically, this bill:

- (1) Establishes criteria for involuntary medical treatment;
- (2) Allows the Director of Public Safety to file a petition with the court establishing that the person in custody of DPS meets the criteria for involuntary medical treatment;
- (3) Requires the court to set a hearing on the petition and establishes requirements for notice of the hearing; and
- (4) Establishes a timeframe and guidelines for hearing the petition.

DPS 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. 1088 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 492          Health on H.B. No. 1243**

The purpose of this bill is to help mitigate unreasonable increases in the cost of prescription drugs, including repackaged prescription drugs and compound medications in Hawaii's workers' compensation insurance system by providing reasonable restrictions on markups similar to those currently authorized for retail pharmacies under state law.

The Department of Human Resources Development, Department of Labor and Industrial Relations, Property Casualty Insurers Association of America, Hawaii Insurers Council, and Hawaii Employers' Mutual Insurance Company, Inc. supported this bill. The Hawaii Injured Worker's Alliance, Workstar Injury Recovery Center, and several concerned individuals opposed this measure.

Your Committee acknowledges the concerns raised by several testifiers that the language in this bill may impede physicians' ability to appropriately practice or dispense medication. As such, your Committee recommends that the Administration continue dialogue on this issue to ensure physicians' ability to appropriately address patient needs and dispense medication.

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 H.B. No. 1243, 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. 1243, H.D. 2.

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

**SCRep. 493          Health on H.B. No. 421**

The purpose of this bill is to require health, disability, and other related insurers to provide coverage for servicing and repairing medically necessary and prescribed motorized wheelchairs and electronic convenience vehicles, including provision of loaners or rentals while repairs are being made.

The Hawaii Disability Rights Center and numerous individuals supported this measure. The Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, the Hawaii Association of Health Plans, and a concerned individual provided comments.

The federal Patient Protections and Affordable Care Act was signed into law in March of 2010 and will probably have an effect on health coverage costs for the State. In addition, your Committee feels strongly that the social and financial impacts of this measure should be thoroughly considered before passage. While your Committee appreciates the testimony provided by so many individuals who rely on wheelchairs and similar devices, it would be wisest to fully consider the implications on all parties of such legislation before passing it but to make certain that this evaluation is done in a timely manner, allowing the Legislature to address this issue during the 2012 Regular Session.

With all of these considerations in mind, your Committee has amended this bill by deleting its contents and inserting provisions that request the Auditor to:

- (1) Conduct a study on the impact of access to motorized wheelchair service and repair, and loaners or rentals while repairs are being made;

- (2) Explain the impact of mandated insurance coverage for motorized wheelchair service on Medicaid, Medicare, and private insurance companies; and
- (3) Provide recommendations regarding mandated insurance coverage 20 days prior to the 2012 Legislative Session.

As affirmed by the 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. 421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 421, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 494 Health on H.B. No. 160**

The purpose of this bill is to meet the significant need for assistance for the elderly in Hawaii by providing additional funding for the Kupuna Care program. The goal of Kupuna Care is to give Hawaii's elderly population access to affordable and quality home- and community-based services that are client-centered and family-supportive, allowing the elderly to live with independence and dignity.

The Association for the Advancement of Retired Persons (AARP), National Multiple Sclerosis Society, Lanakila Pacific, ILWU Local 142, Catholic Charities Hawaii, and numerous concerned individuals submitted testimony in support of this measure. The Executive Office on Aging supports the intent of this measure.

Your Committee has amended this bill by:

- (1) Increasing the funds appropriated for Kupuna Care from \$2,963,411 to \$3.5 million for the fiscal year 2011-2012, and the same for the fiscal year 2012-2013;
- (2) Adding meals for the elderly as a service encompassed by Kupuna Care; and
- (3) Referencing each of the programs to receive funding as part of the Kupuna Care appropriation.

As affirmed by the 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. 160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 160, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 495 Health on H.B. No. 65**

The purpose of this bill is to require public approval for the granting or renewal of licenses for special treatment facilities.

A Honolulu Councilmember and numerous concerned individuals testified in support of this bill. The Attorney General, Department of Health, Hawaii Disability Rights Center, Child & Family Service, Hawaii Youth Services Network, and several concerned individuals opposed this bill.

Your Committee amended this bill by:

- (1) Defining "at-risk youth" and "at-risk young adult";
- (2) Clarifying that for the purposes of this bill "special treatment facility" does not include any special treatment facility that is subject to Chapter 334, H.R.S. or a facility requiring a certificate of need under Chapter 323D, Hawaii Revised Statutes;
- (3) Requiring the petitioner to file notice of a public hearing and removing the Director of Health from the public hearing notice process, with the exception of providing the master list and mailing list for public review upon request;
- (4) Requiring the first notice of public hearing to be published at least 30 days prior to the hearing;
- (5) Requiring public notice to be given to owners, lessees, condominiums projects, and school within 200 yards of the proposed or existing location of the special treatment facility;
- (6) Omitting the provisions for a community veto of special treatment facility licensure or license renewal;
- (7) Omitting the requirements for applicants to address community protests;
- (8) Granting the Director of Health full discretion to approve or deny requests for special treatment facility licensure or license renewal; and
- (9) Changing its effective date to July 1, 2250.

Your Committee recommends that this bill be referred to the Judiciary Committee.

As affirmed by the 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. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 65, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 496 Human Services/Health on H.B. No. 516**

The purpose of this bill is to amend Act 191, Session Laws of Hawaii 2010, (Act 191) to:

- (1) Extend for six months the date on which funds appropriated in Act 191 for education, human services, health, and public welfare in Act 191, Session Laws of Hawaii, will lapse, from July 1, 2011, to December 31, 2011, to provide additional time for these funds to be expended; and
- (2) Provide distribution amounts for the appropriation to support domestic violence shelters; and
- (3) Make technical amendments.

This bill also makes new appropriations for The Path Clinic and for Hawaii Centers for Independent Living.

The State Council on Developmental Disabilities, The Sex Abuse Treatment Center, AARP Hawaii, Hawaii Primary Care Association, Hawaii Substance Abuse Coalition, Catholic Charities Hawaii, and several concerned individuals testified in support of this bill. The Department of Human Services (DHS), Department of Education, and Hawaii Medical Service Association supported the intent of this measure.

Following a hearing on H.B. No. 516 and H.B. No. 1061, your Committees have amended H.B. No. 516 by deleting its contents and inserting in its place the contents of H.B. No. 1061.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 100 to the Legislature, requested immediate consideration and passage of H.B. No. 1061 by the Legislature.

The purpose of H.B. No. 1061 that replaces H.B. No. 516 is to make similar amendments to Act 191, but not the appropriations for The Path Clinic and Hawaii Centers for Independent Living.

Your Committees received testimony in support of H.B. No. 1061 from the Governor, Executive Office on Aging, State Council on Developmental Disabilities, AARP Hawaii, The Sex Abuse Treatment Center, Hawaii Substance Abuse Coalition, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Hawaii Primary Care Association, Protecting Hawaii's Ohana Children Under Served Elderly and Disabled, and several concerned individuals. The Judiciary submitted comments.

After being inaugurated into office, Governor Abercrombie released funds appropriated in Act 191, Session Laws of Hawaii 2010, to various health, human services and housing organizations to maintain essential services. Your Committees acknowledge that, state agencies and nonprofit organizations have encountered technical difficulties in transferring the money to the providers of services. Moreover, providers are unable to encumber the funds by June 30, 2011, as specified in Act 191, due to the delayed release of the funds.

Your Committees have further amended the contents of H.B. No. 1061 that were inserted into this measure by:

- (1) Providing nearly all the funding and other provisions for adult dental care through the Federally Qualified Health Centers formerly granted under program ID HMS 245 – QUEST health care payments to the Hawaii Primary Care Association by appropriating the sum of \$1,900,000 or so much thereof as may be necessary for fiscal year 2010-2011;
- (2) Appropriating the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2010-2011 for the Maui Community College, University of Hawaii, for the adult dental care program;
- (3) Changing the name of Hale Hoomalu to Molokai Community Service Council, which is the legal name of the nonprofit organization that Hale Hoomalu falls under, to ensure that the organization receives funding; 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. 516, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 516, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 497 Economic Revitalization & Business on H.B. No. 845**

The purpose of this bill is to encourage the extension of commercial or industrial ground leases by requiring a lessor who, upon request of the lessee for an extension of the lease, does not extend the term of an existing lease or issue a new ground lease that meets certain conditions to offer to sell the fee simple interest in the land to the lessee for an amount fixed by an appraisers' determination of the leased-fee interest in the land.

The Hawaii Council of Associations of Apartment Owners, Board of Directors of Lani Home Inc., Date-Laa Community Association, and numerous concerned individuals supported this bill. The Land Use Research Foundation of Hawaii, Commonwealth REIT, and Alexander & Baldwin, Inc., opposed this measure. Numerous concerned individuals submitted comments.

Your Committee notes that many leases are set to expire during the interim after the current regular session, which will significantly impact many members of our community. Therefore, your Committee finds that this matter merits further discussion and consideration and will continue to work on this bill as it moves forward in the legislative process.

Your Committee has amended this measure by:

- (1) Expanding its scope to apply to residential leases;
- (2) Making it applicable only to a county with a population of 100,000 or more; and
- (3) Changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 845, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Pine.

**SCRep. 498 Economic Revitalization & Business on H.B. No. 475**

The purpose of this measure is to assist in reducing the cost of doing business in this State by establishing a temporary tax credit for manufacturing and export industries.

The Department of Taxation testified in support of the intent of the measure. The Tax Foundation of Hawaii commented on the measure.

Your Committee finds that this measure grants preferential tax treatment to a very select group of taxpayers. Your Committee also notes the concerns raised by the Department of Taxation regarding potential constitutional issues that could be created by applying the tax credit only to "domestic" entities.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the taxpayer claiming the credit be a domestic entity;
- (2) Deleting the requirement that sources of the taxpayer's operating or manufacturing costs be domiciled in the State;
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive 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 that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 475, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 499 Economic Revitalization & Business on H.B. No. 1187**

The purpose of this bill is to increase state revenues by raising the gallonage tax on liquor.

The Department of Taxation and a concerned individual supported this bill. Annheuser Busch Companies, Distilled Spirits Council of the United States, Hawaii Food Industry Association, Hawaii Liquor Wholesalers Association, Wine Institute, Tedeschi Vineyards, Ltd., Southern Wine & Spirits of Hawaii, and several concerned individuals opposed this bill.

Your Committee finds that it must balance the needs of those impacted by this measure with the need to address the significant revenue shortfall facing the State.

Your Committee intends to continue working on this bill and respectfully requests your Committee on Finance to review this measure and assess its financial impacts.

Therefore, to move this bill forward in the legislative process for further consideration, your Committee has amended this measure by:

- (1) Changing the gallonage tax rates to be assessed on the various types of liquor to unspecified amounts;
- (2) Inserting the substance of H.B. No. 365, Regular Session of 2011, which reduces the gallonage tax rate for small breweries and brewpubs that brew or produce beer in the State to 23 cents per gallon of beer on the first 60,000 barrels of beer brewed or produced during the taxable year;

- (3) Establishing a general excise tax exemption for gross income or gross proceeds received by a wholesaler from the sale of liquor subject to the gallonage tax;
- (4) Inserting a severability clause;
- (5) Changing its effective date to July 1, 2112, to encourage further discussion; 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 Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1187, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 500 Economic Revitalization & Business on H.B. No. 1509**

The purpose of this measure is to increase transparency in government procurements by:

- (1) Providing that government purchasing information required to be disclosed under the freedom of information law includes bid schedules, contract awards, and any addendums and amendments thereto; and
- (2) Requiring the information to be posted on the contracting agency's publicly available website within one business day of availability.

The Hawaii Laborers-Employers Cooperation & Education Trust, League of Women Voters of Hawaii, and Hawaii Laborers' Union testified in support of this measure. The Office of Information Practices and Pacific Resource Partnership supported the intent of this measure. The Department of Accounting and General Services and the Department of Budget and Fiscal Services of the City and County of Honolulu opposed this measure.

Your Committee finds that by making information on government purchases more widely available to the public, this measure seeks to promote transparency, trust, and competition in government procurement processes. However, concerns were raised regarding the amount of time and resources necessary for government agencies to post purchasing information on a website within one business day of availability.

Accordingly, your Committee has amended this measure by:

- (1) Requiring contracting agencies to post purchasing information on their websites within thirty business days, rather than one business day, of availability; and
- (2) Changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1509, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1509, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Evans, Nishimoto and Tokioka.

**SCRep. 501 Economic Revitalization & Business on H.B. No. 356**

The purpose of this bill is to establish that a license applicant retains no significant privacy interest in government records of the applicant's requisite experience, passage of relevant trade examinations, and possession of adequate bonding, and therefore the disclosure of such information by a government agency does not constitute a clearly unwarranted invasion of privacy under the State's Freedom of Information Act.

The Iron Worker's Stabilization Fund testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by:

- (1) Changing the reference to "records" to "licensee's record" for consistency with the language in existing relevant selections of the Freedom of Information Act; and
- (2) Changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 356, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nishimoto and Tokioka.

**SCRep. 502 Economic Revitalization & Business on H.B. No. 1551**

The purpose of this measure is to encourage the growth of the Hawaii film industry by providing enhanced incentives to attract more film and television productions to Hawaii, thereby generating increased tax revenues.

More specifically, this measure:

- (1) Increases the amount of the motion picture, digital media, and film production income tax credit;
- (2) Removes the existing cap on the motion picture, digital media, and film production income tax credit;
- (3) Provides an additional income tax credit for qualified spending related to computer aided special or visual effects and animation;
- (4) Establishes a non-refundable tax credit with a carry forward period of up to ten years to encourage media infrastructure development;
- (5) Exempts from the transient accommodations tax expenditures for transient accommodations stays exceeding thirty days; and
- (6) Permits certain production tax credits to be assigned.

The Mayor of the County of Maui, Relativity Media, LLC, RelativityREAL, Utica Films, Shangri-La Industries and Shangri-La Entertainment, Hawaii Laborers-Employers Cooperation and Education Trust, U.S. Green Building Council, a former President of the United States, and two private individuals testified in support of the measure. The Department of Business, Economic Development, and Tourism commented on the measure.

Your Committee finds that this measure could benefit the State by encouraging expansion of the local film and television industry. However, your Committee also notes the concerns raised by the Department of Business, Economic Development, and Tourism regarding the need to maintain stability in the current tax credit program.

Your Committee has amended this measure by:

- (1) Deleting the increases in the amount of the motion picture, digital media, and film production income tax credit;
- (2) Deleting the exemption from the transient accommodations tax;
- (3) Renaming the "qualified local crew training program" the "qualified persons crew training program";
- (4) Adding a definition for "qualified person";
- (5) Restoring the requirement that, in order to claim the motion picture, digital media, and film production income tax credit, a taxpayer must provide evidence of efforts to further the local film and television and digital media industries;
- (6) Clarifying that only qualified media infrastructure project income tax credits are assignable;
- (7) Specifying reporting and security requirements to participate in the qualified media infrastructure project income tax credit program;
- (8) Providing that failure to complete a qualified media infrastructure project within five years of initial certification shall result in ineligibility for, and recapture of, tax credits; and
- (9) Changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1551, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 503 Economic Revitalization & Business on H.B. No. 1307**

The purpose of this bill is to stimulate construction activity in Hawaii by establishing a temporary residential construction and remodeling tax credit.

Building Industry Association of Hawaii, The Pacific Resource Partnership, Subcontractors Association of Hawaii, Land Use Research Foundation of Hawaii, Hawaii Association of REALTORS, and General Contractors Association of Hawaii supported this bill. The Department of Taxation supported the intent of this measure. Tax Foundation of Hawaii submitted comments.

Your Committee respectfully requests your Committee on Finance to work with the Department of Taxation to determine this measure's impact, both positive and negative, on state revenues.

Your Committee has amended this measure by:

- (1) Specifying that the tax credit shall be limited to four percent of the residential construction or remodeling costs paid by the taxpayer during the taxable year for which the credit is claimed;



- (2) Clarifying the definition of "construction or remodeling cost" by specifying the use of a licensed contractor to perform the activities for which a tax credit may be claimed;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1307, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 504 Economic Revitalization & Business/Labor & Public Employment on H.B. No. 519**

The purpose of this bill is to exclude from the definition of "employment" under the workers' compensation law services performed for:

- (1) A limited liability company by a member who is an individual with a distributional interest of at least 50 percent in the company;
- (2) A partnership by an individual who is a partner of the partnership;
- (3) A limited liability partnership by an individual who is a partner of the limited liability partnership with a transferable interest in the partnership of at least 50 percent; and
- (4) A sole proprietorship by its sole proprietor.

The Chamber of Commerce of Hawaii, National Federation of Independent Business Hawaii, Retail Merchants of Hawaii, and a concerned individual supported this bill. ILWU Local 142 opposed this bill. A concerned individual submitted comments.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 519 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, Saiki, Souki, Takumi and Tokioka.

**SCRep. 505 Economic Revitalization & Business/Labor & Public Employment on H.B. No. 113**

The purpose of this bill is to establish a voluntary work sharing program to avoid layoffs and allow employees who are employed for a portion of the week to collect unemployment benefits.

The Department of Labor and Industrial Relations (DLIR) supported the intent of this bill.

In light of testimony submitted by DLIR, your Committees have amended this measure by deleting its contents and inserting provisions to establish a short-time compensation program under DLIR that conforms to model language provided to DLIR by the federal Department of Labor. As amended, this bill establishes requirements, standards, and procedures for the short-time compensation program.

Your Committees have also amended this measure by:

- (1) Inserting a savings clause to ensure that the measure does not adversely affect federal funding;
- (2) Requiring DLIR to adopt rules to implement the short-time compensation program;
- (3) Making it effective on July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Recognizing the financial implications of this measure, your Committees respectfully request that your Committee on Finance investigate the use of employment and training funds that may be available to help offset the costs of this important program.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 113, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Saiki, Souki, Takumi and Tokioka.

**SCRep. 506 Hawaiian Affairs on H.B. No. 313**

The purpose of this bill is to reduce recidivism and help inmates make a successful transition back into the community by:

- (1) Establishing the Hawaiian Cultural Restoration Program (Program) as a temporary pilot program within the Department of Public Safety (PSD);
- (2) Specifying that the Program select non-violent inmates to participate in the restoration and rebuilding of culturally historic sites;
- (3) Requiring the Office of Hawaiian Affairs (OHA) to determine and identify the sites to be restored by the Program; and
- (4) Requiring the State Historic Preservation Division to review and approve all proposed work to be conducted on, in, and around the selected historic sites.

This measure also appropriates funds for the Program and requires that funds allocated to the program result in reduced appropriations to OHA of an equal amount.

The Department of Hawaiian Home Lands, Association of Hawaiian Civic Clubs, and several concerned individuals testified in support of this bill. The Community Alliance on Prisons and National Association of Reformed Criminals supported the intent of this measure. The Department of Land and Natural Resources and OHA offered comments.

Providing for a successful transition of inmates from prison life to life in their communities is beneficial not only to the inmate, but their families or communities as well. The Program has tremendous potential in accomplishing this. Although concerns were raised that PSD is currently over-burdened and the establishment of the Program will add that to their responsibilities, your Committee finds the Program to be a worthwhile endeavor and respectfully requests PSD to work with the Judiciary in carrying out this project.

Your Committee has amended this bill by:

- (1) Substituting the term "low-custody inmate" for "non-violent inmate"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 313, 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. 313, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 507 Hawaiian Affairs on H.B. No. 377**

The purpose of this bill is to encourage the development of traditional aquaculture techniques by requiring the Board of Land and Natural Resources (Board) to provide lease preferences for state land to developers of Hawaiian fishponds.

The Kuliouou/Kalani Iki Neighborhood Board and several concerned individuals supported this bill. The Department of Land and Natural Resources and Sierra Club-Hawaii Chapter supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the lease preference is for the reconstruction, restoration, repair, or use of Hawaiian fishponds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 377, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 377, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 508 Hawaiian Affairs on H.B. No. 378**

The purpose of this bill is to give preference, wherever and whenever feasible, to native Hawaiian plants in landscaping certain public buildings, facilities, or housing.

The Department of Accounting and General Services, Landscape Industry Council of Hawaii, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Office of Hawaiian Affairs and Sierra Club of Hawaii supported this bill with amendments. The Outdoor Circle and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Removing provisions that would have given preference to native Hawaiian plants only wherever and whenever feasible; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 378, 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. 378, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 509 Hawaiian Affairs on H.B. No. 400**

The purpose of this bill is to appropriate funds for the operating and capital improvement budget of the Office of Hawaiian Affairs (OHA) for fiscal biennium 2011-2013.

OHA, Native Hawaiian Legal Corporation, Ko'olaupoko Hawaiian Civic Club, and Alu Like, Inc. testified in support of 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. 400 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 510 Hawaiian Affairs on H.B. No. 1063**

The purpose of this bill is to increase the limit the Department of Hawaiian Home Lands (DHHL) is currently authorized to borrow or guarantee on loans, from \$50,000,000 to \$100,000,000 to cover the guarantee requirements for its housing program.

DHHL, the Department of Budget and Finance, and a concerned individual testified in support of 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. 1063 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 511 Hawaiian Affairs on H.B. No. 1438**

The purpose of this bill is to promote the development of Hawaiian homestead lands by:

- (1) Requiring the Department of Hawaiian Home Lands (DHHL):
  - (A) In its annual expenditure report to the Legislature, to include information on the status of homestead lot awards, including the number of homestead lots awarded, lots with homes actually built and ready-to-build lots, and the amount of funds for infrastructure development; and
  - (B) To submit a report to the Legislature prior to the convening of the 2012 Regular Session, specified information relating to homestead lots contained in its annual reports between the years 2002 and 2009;

And

- (2) Authorizing \$300,000 in general obligation bonds to build the water infrastructure system designed by the Honokaia ohana to support ranching activities on the Honokaia Homestead Tract in Waimea, Hawaii.

DHHL, the Sovereign Councils of the Hawaiian Homelands Assembly, and a concerned individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Deleting the requirement that:
  - (A) DHHL submit the specified homestead lot award information to the Legislature; and
  - (B) A report be submitted to the Legislature;

and

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1438, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 512 Hawaiian Affairs/Culture & the Arts on H.B. No. 402**

The purpose of this bill is to protect native Hawaiian culture by, among other things:

- (1) Requiring that all draft and final environmental assessments and environmental impact statements include a cultural impact assessment that assesses the impact and effect on native Hawaiian culture;
- (2) Establishing what should be contained in the cultural impact assessment;
- (3) Requiring public notification of and consultation in the preparation of the cultural impact assessment;
- (4) Requiring, as a condition precedent to the acceptance of an environmental assessment or statement, approval of a cultural impact assessment by the Office of Hawaiian Affairs (OHA); and
- (5) Providing a definition of "cultural impact assessment."

OHA, Aha Kiole Advisory Committee, Association of Hawaiian Civic Clubs, Papa Ola Lokahi, Hanalei Watershed Hui, KAHEA: The Hawaiian-Environmental Alliance, and a concerned individual supported this bill. The Office of Environmental Quality Control supported the intent of this measure. The Chamber of Commerce of Hawaii, NAIOP-Hawaii Chapter, and Building Industry Association-Hawaii opposed this bill. The Department of Land and Natural Resources offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2012;
- (2) Conditioning the repeal of the bill upon the adoption of rules, pursuant to chapter 91, Hawaii Revised Statutes, by the Environmental Council that prescribe the contents and procedures for a cultural impact assessment; 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 Hawaiian Affairs and Culture & the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 402, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 402, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 513 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 155**

The purpose of this bill is to protect native Hawaiian burial sites by:

- (1) Providing for the treatment of inadvertently discovered native Hawaiian burial sites, including the time limits within which determinations by island burial councils must be rendered; and
- (2) Deleting Hui Malama I Na Kupuna O Hawai'i Nei as an appropriate Hawaiian organization with which the Department of Land and Natural Affairs must consult in carrying out various duties under chapter 6E, Hawaii Revised Statutes.

The Office of Hawaiian Affairs (OHA), Sierra Club-Hawaii Chapter and a member of the OHA Board of Trustees supported this bill. The Department of Land and Natural Resources and Society for Hawaiian Archaeology opposed this measure.

Your Committee has amended this bill by:

- (1) Adding reviewing mitigation plans for the inadvertent discovery of native Hawaiian burial sites as one of the duties of island burial councils under section 6E-43.5(f), Hawaii Revised Statutes;
- (2) Specifically exempting public-works projects undertaken by state or county agencies from the provisions of this bill; 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 Water, Land, & Ocean Resources and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 155, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 155, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 514 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 389**

The purpose of this bill is to protect one of Hawaii's wetland areas and restore it to productive use. Specifically, this measure seeks to protect and restore the Heeia wetlands, eliminate invasive species in the area, and establish an agricultural and educational center at the wetlands by, among other things:

- (1) Establishing the Heeia Community Development District, and stipulating its boundaries;

- (2) Establishing general policies to guide the development of the District;
- (3) Creating the Heeiea Development Community Revolving Fund along with a dedicated revenue stream to be deposited into the Fund; and
- (4) Providing the Hawaii Community Development Authority (HCDA) with the authority to assess all land users for their fair share of the costs required to administer and operate the District.

The Chair of the Kahalu'u Neighborhood Board No. 29, HCDA, The Nature Conservancy of Hawaii, Kako'o 'Owi of Hawaii, Ko'olaupoko Hawaiian Civic Club, and several concerned individuals testified in support of this bill. The Department of Budget and Finance and Department of Business, Economic Development, and Tourism provided comments.

Your Committees have amended this bill by:

- (1) Increasing the number of individuals appointed to HCDA to represent the District from two to three;
- (2) Deleting the provision that provides HCDA with the authority to assess fees for the administration and operation of the District;
- (3) Inserting language stipulating that the special management area permit administration for the District shall continue to be under the authority of the City and County of Honolulu; 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 Water, Land, & Ocean Resources and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 389, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 389, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Chong, Morita and Pine.

**SCRep. 515 Water, Land, & Ocean Resources/Hawaiian Affairs on H.B. No. 948**

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to conduct an audit of all state-held lands and develop an inventory of ceded lands in the State, and to report its findings to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012.

The Association of Hawaiian Civic Clubs 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 opposed this bill.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 948 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Carroll, Chong, Morita and Pine.

**SCRep. 516 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 917**

The purpose of this bill is to allow state-funded construction projects to move forward quickly and efficiently by exempting the Department of Transportation (DOT) from county approval.

The Hawaii Laborers' Union testified in support of this measure. DOT supported the intent of this bill. The Department of Business, Economic Development, and Tourism, The Outdoor Circle, and several concerned individuals opposed this measure. The Sierra Club-Hawaii Chapter offered comments.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 917 and recommend that it be referred to the Committee on Judiciary.

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

**SCRep. 517 Water, Land, & Ocean Resources/Energy & Environmental Protection on H.B. No. 850**

The purpose of this bill is to implement traditional fishery management practices for the regulation of fishing and gathering to promote the sustainable use of marine resources by establishing a community-based fishery resource management area program and advisory committee for the island of Lana'i.

Hawaiian Electric Company and Maui Electric Company testified in support of this measure. The Aha Kiole Advisory Committee and a concerned individual opposed this bill.

Your Committees have amended this bill by changing its effective date to January 1, 3000, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 850, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 850, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 518 Water, Land, & Ocean Resources on H.B. No. 548**

The purpose of this bill is to protect owners or occupiers of private land by:

- (1) Holding authors or publishers of visitor-guide websites or publications who knowingly or negligently encourage or invite any person to enter or remain on private lands from which the public is excluded, civilly liable for any injury to or the death of the person; and
- (2) Requiring the authors or publishers to defend and indemnify the owner or occupier of the private land from any liability arising as a result of such injury or death.

The Hawaii Tourism Authority; Office of Economic Development of the County of Kauai; Hawaii Farm Bureau Federation; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Maui Cattlemen's Association; PAHIO Development, Inc.; Kamehameha Schools, and a concerned individual supported this bill. The American Civil Liberties Union of Hawaii; Media Coalition; Wizard Publishing, Inc.; and several concerned individuals opposed this measure. The Department of Land and Natural Resources and Hawaii Association for Justice offered comments.

After careful consideration, your Committee has amended this bill by:

- (1) Also holding authors or publishers of visitor-guide websites or publications who knowingly or negligently encourage or invite any person to enter or remain on public lands from which the public is excluded, civilly liable for any injury to or the death of the person;
- (2) Also requiring the authors or publishers to defend and indemnify the owner or occupier of the public land from any liability arising as a result of such injury or death; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee respectfully requests the Committee on Judiciary to consider any constitutional issues that may be implicated in 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. 548, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 548, H.D. 2.

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

**SCRep. 519 Water, Land, & Ocean Resources on H.B. No. 915**

The purpose of this bill is to enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining 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 Department of Budget and Fiscal Services of the City and County of Honolulu, the Kauai County Department of Finance, and the Maui County Department of Finance testified in support of this measure. The Department of Taxation supported the intent of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2011.

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. 915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 915, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 520 Water, Land, & Ocean Resources on H.B. No. 931**

The purpose of this bill is to address the problems of:

- (1) Numerous vessels moored within small boat harbor facilities that rarely leave the harbor confines and offshore mooring areas; and
- (2) Derelict vessels occupying space in small boat harbors,

by defining the term "regularly navigated."

The Department of Land and Natural Resources and the Ocean Tourism Coalition testified in support of this measure. A concerned individual opposed this bill. A concerned citizen 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. 931 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 and Chong.

**SCRep. 521 Water, Land, & Ocean Resources on H.B. No. 1180**

The purpose of this bill is to apply the conveyance tax to transfers of entity ownership when the transfer of entity ownership is essentially equivalent to the sale of an interest in real property.

The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii and the Hawaii Association of REALTORS 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. 1180 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, Chong and Thielen.

**SCRep. 522 Water, Land, & Ocean Resources on H.B. No. 1224**

The purpose of this bill is to resume the long-term restoration of Kahoolawe by using a portion of state conveyance taxes to replenish the Kahoolawe Rehabilitation Trust Fund (Trust Fund).

The Kahoolawe Island Reserve Commission and numerous concerned individuals testified in support of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by blanking out the percentage amount of state conveyance taxes to be paid into the Trust Fund.

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. 1224, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1224, H.D. 1.

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

**SCRep. 523 Water, Land, & Ocean Resources on H.B. No. 579**

The purpose of this bill is to:

- (1) Prohibit the use of body-crushing traps and foot or leg-hold traps; provided that exemptions are granted to:
  - (A) State or federal agencies acting pursuant to a mandatory statutory duty for the protection of:
    - (i) Species listed as threatened or endangered, or other wildlife species protected by law; or
    - (ii) Public health, safety, or property; and
  - (B) Accepted practices for rodent or mongoose control;
- (2) Regulate the use of snares by requiring a person using a snare to hunt, capture or kill any animal to:
  - (A) Possess a valid hunting license or permit issued by the Department of Land and Natural Resources (DLNR), or written authorization issued by the Board of Land and Natural Resources, and attend any required training and abide by all rules;
  - (B) Have a metal identification tag affixed to the snare with the person's name and contact phone number; and
  - (C) Check the snare a minimum of once every 48 hours and, upon request, present written documentation to DLNR verifying when and by whom the snare was checked; provided that this regulation does not apply to private conservation agencies conducting activities that are recognized by DLNR, or to agricultural land managers to protect crops and livestock;

provided that these regulations will not apply to:

- (A) State or federal agencies acting pursuant to a mandatory statutory duty for the protection of:
  - (i) Species listed as threatened or endangered, or other wildlife species protected by law; or

- (ii) Public health, safety, or property; and
- (B) Accepted practices for rodent or mongoose control;
- (3) Require any dog or cat captured using any snare to be immediately checked for identification and reported to the designated county animal control contractor and, upon request, be turned over to the contractor; provided that exemptions are granted to:
  - (A) State or federal agencies acting pursuant to a mandatory statutory duty for the protection of:
    - (i) Species listed as threatened or endangered, or other wildlife species protected by law; or
    - (ii) Public health, safety, or property; and
  - (B) Accepted practices for rodent or mongoose control;
- (4) Define body-crushing trap, foot or leg-hold trap, and snare; and
- (5) Establish penalties for violations.

The Humane Society of the United States, Hawaiian Humane Society, Maui Humane Society, West Hawaii Humane Society, and several concerned individuals testified in support of this bill. The Nature Conservancy and Hawaii Cattlemen's Council, Inc. opposed this measure. The United States Department of Agriculture, DLNR, Animal Rights Hawaii, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing language that bans a person from using, setting, or maintaining a snare in an area zoned as residential or any other area prohibited by law or rule, to hunt, capture, or kill any animal;
- (2) Changing the length of time, from 24 hours to 48 hours, a person is required to check, a minimum of once, a snare used to hunt, capture, or kill any animal;
- (3) Exempting private conservation agencies conducting activities that are recognized by DLNR, or agricultural land managers to protect crops and livestock from checking snares a minimum of once every 48 hours once the snare is set and, upon request, presenting written documentation to DLNR verifying when and by whom the snare was checked;
- (4) Exempting state or federal agencies acting pursuant to a mandatory statutory duty for the protection of public health, safety, or property from:
  - (A) The ban on using, setting, or maintaining a body-crushing trap or a foot or leg-hold trap;
  - (B) Regulations for the use of a snare to hunt, capture, or kill any animal; and
  - (C) Requirements for checking the identification of and reporting the capture of any dog or cat using any snare;
- (5) Removing language that exempts state, federal, or private conservation agencies trapping feral or injurious species in remote areas for conservation purposes from:
  - (A) The ban on using, setting, or maintaining a body-crushing trap or a foot or leg-hold trap;
  - (B) Regulations for the use of a snare to hunt, capture, or kill any animal; and
  - (C) Requirements for checking the identification of and reporting the capture of any dog or cat using any snare;
- (6) Exempting accepted practices for mongoose control from:
  - (A) The ban on using, setting, or maintaining a body-crushing trap or a foot or leg-hold trap;
  - (B) Regulations for the use of a snare to hunt, capture, or kill any animal; and
  - (C) Requirements for checking the identification of and reporting the capture of any dog or cat using any snare;

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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 579, H.D. 1, and be referred to the Committee on Judiciary.

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



**SCRep. 524 Water, Land, & Ocean Resources on H.B. No. 756**

The purpose of this bill is to promote building design that is accessible and usable by persons with disabilities by requiring the Disability and Communication Access Board (DCAB) to:

- (1) Charge fees for its review of building designs;
- (2) Establish a fee schedule that includes tiered fees based upon estimated construction costs;
- (3) Establish an Accessible Building Design Special Account within the DCAB Special Fund; and
- (4) Report annually to the Legislature regarding the revenues collected under paragraph (1).

The Department of Accounting and General Services and several concerned individuals supported this bill. DCAB supported the intent of this measure. The Building Industry Association-Hawaii opposed this bill.

After careful consideration, your Committee has amended this bill by:

- (1) Temporarily establishing the fees to be charged by DCAB from the effective date of this bill until July 1, 2012;
- (2) Adjusting the estimated costs of construction that will incur a fee of \$200 from "less than \$100,000" to "up to \$100,000"; and
- (3) 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 756, 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. 756, H.D. 2.

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

**SCRep. 525 Water, Land, & Ocean Resources on H.B. No. 324**

The purpose of this bill is to preserve the culturally and historically rich area of South Kona on the island of Hawaii by establishing the South Kona Wilderness Area to be administered by the Department of Land and Natural Resources (DLNR).

The Nature Conservancy of Hawaii, Hawaii Community Stewardship Network, and two concerned individuals supported this bill. DLNR supported the intent of this measure. The Hawaii Nearshore Fishermen offered comments.

Your Committee has amended this bill by:

- (1) Deleting the requirement that DLNR, in cooperation with appropriate county, state, and federal agencies, develop a comprehensive management plan for the South Kona Wilderness Area;
- (2) Modifying the geographic scope of Kaulanamauna and Manuka, which are two of the areas to be included within the South Kona Wilderness Area; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 324, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 526 Water, Land, & Ocean Resources on H.B. No. 376**

The purpose of this bill is to streamline portions of the review process for permits, licenses, and approvals by, among other things:

- (1) Allowing the counties to contract with licensed, qualified architects, and engineers to serve as third-party reviewers to certify compliance with various construction codes as well as land-use ordinances;
- (2) Limiting to 60 days the period within which the Department of Land and Natural Resources (DLNR) has to review and comment on pending state and county project approvals that affect historic properties, aviation artifacts, or burial sites before the proposed project will be deemed approved; and
- (3) Providing that if an agency has not adopted rules specifying the maximum period within which to grant or deny a business- or development-related permit, license, or approval, the application will be deemed approved 30 calendar days after a completed application is submitted to the State or respective county agency.

DLNR, Office of Hawaiian Affairs, Hawaii Government Employees Association, Historic Hawaii Foundation, Society for Hawaiian Archaeology, and numerous concerned individuals opposed this bill.

Your Committee has amended this bill by changing its effective date to July 1, 3000, to encourage further discussion.

Your Committee notes that this bill implements one of the Construction Industry Task Force's (created by Senate Concurrent Resolution No. 132, S.D. 1, in 2009) proposals in conjunction with the current Administration's support for state actions to create new jobs in Hawaii's construction industry.

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. 376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 527 Water, Land, & Ocean Resources on H.B. No. 926**

The purpose of this bill is to protect Hawaii's precious beaches by prohibiting the inclusion of accreted lands in determining the shoreline setback line in counties with a population greater than 500,000.

Hawaii's Thousand Friends supported this bill. The state Office of Planning, Sierra Club-Hawaii Chapter, and a concerned individual supported the intent of this measure. The Department of Land and Natural Resources offered comments.

After careful consideration, your Committee has amended this bill by:

- (1) Amending the definition of "accreted lands" from "lands formed by the gradual accumulation of land on a beach or shore along the ocean by the action of natural forces" to "lands judicially decreed or registered under the State's accretion laws";
- (2) Clarifying that this bill is to be applied prospectively and is applicable only to undeveloped lands that have been judicially decreed or registered under the State's accretion laws; and
- (3) 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 926, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 528 Human Services on H.B. No. 738**

The purpose of this bill is to assist victims of domestic violence by appropriating federal Temporary Assistance for Needy Families funds for the Department of Human Services (DHS) for fiscal year 2011-2012 and fiscal year 2012-2013.

A concerned individual testified in support of this bill. DHS supported the intent of this measure. The Domestic Violence Action Center offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 738, 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. 529 Human Services on H.B. No. 576**

The purpose of this bill is to establish sex trafficking as a felony offense and protect victims of sex trafficking by, among other things:

- (1) Establishing class A and class B felony sex trafficking offenses;
- (2) Including sex trafficking among the offenses that the Attorney General is to give greatest priority to in providing security, protection, and funding under the statewide witness program;
- (3) Providing compensation for victims of sex trafficking in the first and second degree;
- (4) Authorizing or approving the interception of wire, oral, or electronic communications, if the interception might provide or has provided evidence of sex trafficking in the first and second degree; and

- (5) Establishing sex trafficking as an offense for which property is subject to forfeiture.

Equality Now, Hawaii Family Forum, Hawaii Catholic Conference, The Pacific Alliance to Stop Slavery, Polaris Project, and several concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure. The Attorney General testified in opposition to this bill. The Office of Community Services and several concerned individuals offered comments.

Your Committee acknowledges that testimony submitted by the Attorney General strongly supports the goals of preventing human trafficking and bringing its perpetrators to justice. However, conduct that this bill seeks to prohibit is already prohibited under existing law. Due to this, the Attorney General opposes this bill. This bill also contains legal problems, and the Attorney General cites issues, such as vague, ambiguous, confusing, and redundant language that may make the bill more difficult to enforce.

The Prosecuting Attorney notes a number of existing laws addressing sexual human trafficking within Hawaii and believes that creating a new law, already covered with existing laws, is unnecessary. To strengthen existing laws pertaining to sexual human trafficking, the Department of the Prosecuting Attorney has introduced several bills: H.B. No. 240, H.B. No. 241, H.B. No. 242, S.B. No. 1016, S.B. No. 1017, and S.B. No. 1018.

Last year, Governor Linda Lingle vetoed a sexual human trafficking bill that the Legislature passed due to the inclusion of proposed new offenses intended to prohibit conduct that is already covered under existing law. Moreover, poorly drafted, overly broad, and inaccurate language in the bill, would make bringing to trial and convicting those who engage in sexual human trafficking difficult.

Your Committee notes that there are two other bills, H.B. No. 946 and H.B. No. 497, relating to this topic, that are moving forward to the Judiciary Committee.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 576, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 530 Consumer Protection & Commerce on H.B. No. 1045**

The purpose of this bill is to apply consistent regulatory treatment to health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and similar risk-bearing entities by adopting the National Association of Insurance Commissioners Risk-Based Capital for Health Organizations Model Act. Among other things, this measure:

- (1) Adds the definitions of "benefit society", "health maintenance organization", and "domestic insurer" to the Hawaii Insurance Code;
- (2) Codifies parameters by which a benefit society or health maintenance organization's risk-based capital shall be determined;
- (3) Establishes under what circumstances a property and casualty insurer, a benefit society, or health maintenance organization is required to file a risk-based capital report;
- (4) With respect to a benefit society or health maintenance organization in the event of a mandatory control level event, provides the Insurance Commissioner with the power to take any actions necessary to cause an insurer to be placed under regulatory control with respect to a benefit society or health maintenance organization;
- (5) Establishes various confidentiality and disclosure requirements for the Insurance Commissioner for certain risk-based capital reports and risk-based capital plans; and
- (6) Allows the Insurance Commissioner to provide various exemptions from risk-based capital requirements to domestic benefit societies or health maintenance organizations that meet certain criteria.

The State Insurance Commissioner and Hawaii Medical Service Association 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. 1045 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 531 Consumer Protection & Commerce on H.B. No. 1201**

The purpose of this bill is to allow the State to conform to new federal regulations under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, in a manner consistent with local practice. Among other things, this measure:

- (1) Establishes a private, nonprofit Hawaii Health Benefit Exchange (Exchange);

- (2) Establishes a governing Board of Directors (Board) for the Exchange and its composition and meeting and voting requirements;
- (3) Requires the Board to submit an annual report to the Legislature;
- (4) Provides the Board with the authority to hire its officers and employees and determine their benefits;
- (5) Stipulates that the Exchange, under the direction of the Board, shall have the power and authority of a private nonprofit entity;
- (6) Authorizes the Board to establish fees to offset administrative costs;
- (7) Requires the State Insurance Commissioner to adopt rules governing the Exchange;
- (8) Requires the Exchange to work with the State Health Insurance Exchange Task Force of the Department of Commerce and Consumer Affairs to develop policies and proposed legislation to implement the duties and responsibilities of the Exchange; and
- (9) Requires the Board to submit proposed legislation to implement the duties and responsibilities of the Exchange to the Legislature.

The American Cancer Society, Hawaii Medical Service Association, Hawaii Medical Association, and Healthcare Association of Hawaii supported this bill. The State Insurance Commissioner and Department of Human Services 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. 1201, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 532 Consumer Protection & Commerce on H.B. No. 463**

The purpose of this bill is to ensure the proper and expedient treatment of injured employees by allowing employee-selected physicians or surgeons to conduct diagnostic testing or engage in a one-time consultation for subspecialty diagnostic evaluation and treatment recommendations from a board-certified or licensed specialist.

The Department of Labor and Industrial Relations, ILWU Local 142, Hawaii Chapter – American Physical Therapy Association, Hawaii Medical Association, Hawaii Injured Workers Alliance, and several concerned individuals testified in support of this bill. The Department of Human Resources Development; City and County of Honolulu; Property Casualty Insurers Association of America; Hawaii Insurers Council; Hawaiian Electric Co. Inc.; Maui Electric Company, LTD.; and Hawaii Electric Light Company, Inc. opposed this measure.

Your Committee has amended this bill by making the provisions of this measure expire on June 30, 2014.

As 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. 463, 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. 463, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 533 Consumer Protection & Commerce on H.B. No. 678**

The purpose of this bill is to assist individuals who may become victims of identity theft and other related crimes by requiring any government agency responsible for a security breach to pay the costs of providing each person whose personal information was disclosed with, at a minimum, a three-year subscription to a nationwide reporting agency's services.

The Consumer Data Industry Association supported the intent of this bill. The Department of Accounting and General Services and the Department of Human Resources of the City and County of Honolulu opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this measure by:

- (1) Extending consumer protections to those who have received notification of a security breach; and
- (2) Exempting the national credit reporting services from the state procurement laws so that commercial credit monitoring services can be provided 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 H.B. No. 678, 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. 678, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 534 Consumer Protection & Commerce on H.B. No. 1000**

The purpose of this bill is to update and make more effective the Enhanced 911 Services law by, among other things:

- (1) Clarifying that the law pertains to communications services and is not limited to wireless services;
- (2) Expanding the membership and changing the name of the Wireless Enhanced 911 Board to the Enhanced 911 Board;
- (3) Requiring the Governor to appoint a State 911 Coordinator;
- (4) Changing the name of the Wireless Enhanced 911 Fund to the Enhanced 911 Fund and clarifying its uses; and
- (5) Exempting connections of local exchange carriers providing land line enhanced 911 services from the monthly enhanced 911 surcharge.

The Department of Accounting and General Services, Wireless Enhanced 911 Board, Honolulu Police Department, Hawaii Police Department, Maui Police Department, General Motors, State Fire Council, Honolulu Fire Department, Maui Fire Department, Kauai Fire Department, Kauai Police Department, and City and County of Honolulu Department of Information Technology 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. 1000, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 535 Consumer Protection & Commerce on H.B. No. 1384**

The purpose of this bill is to improve the delivery of healthcare and assist patients in receiving their medications in a timely manner by requiring the Insurance Commissioner to:

- (1) Develop a standardized prior authorization request form and process for prescription medications that can be used between healthcare providers and insurance carriers that shall be accessible and available for submission electronically through secure electronic transmissions;
- (2) Convene a working group to assist in the development of a standardized prior authorization form and process; and
- (3) Submit a report to the Legislature of the proceedings, recommendations, and results on implementing this measure.

The Hawaii Medical Association, Faith Action for Community Equity Health Care Committee, American Cancer Society, and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, AlohaCare, and Ohana Health Plan opposed this measure. The Department of Human Services and Kaiser Permanente Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that require the Insurance Commissioner to develop a standardized prior authorization request form and process;
- (2) Requiring the John A. Burns School of Medicine, instead of the Insurance Commissioner, to convene a working group;
- (3) Changing the focus of the working group to discuss the potential improvements to the current prior authorization process for prescription medications; 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. 1384, 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. 1384, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 536 Consumer Protection & Commerce on H.B. No. 1257**

The purpose of this bill is to require the Public Utilities Commission (PUC) to consider technology, carbon emissions, and cost to consumers when considering an electric utility's application for a certificate of public convenience and necessity.

The Consumer Advocate in the Department of Commerce and Consumer Affairs; the Hawaii Cattlemen's Council; Indigenous Consultants, LLC; and several concerned individuals supported this bill. The Hawaii Farm Bureau Federation supported the intent of this measure. The PUC did not support this measure. The Sierra Club-Hawaii Chapter opposed this bill.

Your Committee has amended this bill by moving its provisions from section 269-7.5, Hawaii Revised Statutes (HRS), relating to certificates of public convenience and necessity to section 269-27.2, HRS, relating to use of electricity generated from nonfossil fuels, to more accurately reflect the underlying purpose of the new provision.

As 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. 1257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1257, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 537 Consumer Protection & Commerce on H.B. No. 1342**

The purpose of this bill is to make the process of installation and repair of broadband more efficient. Specifically this bill will:

- (1) Exempt broadband infrastructure improvements from state or county permitting requirements for five years; and
- (2) Exempt telecommunications companies from replacing existing utility poles when installing new or improving existing telecommunications cables.

The Department of Business, Economic Development, and Tourism, the Department of Commerce and Consumer Affairs, the Office of Environmental Quality Control, Hawaiian Telcom, Akaku: Maui Community Television, Hawaiian Electric, Hawaii Electric Light Company, Maui Electric Company, The Chamber of Commerce of Hawaii supported this measure. The Department of Transportation supported the intent of this bill. The Department of Planning and Permitting of the City and County of Honolulu opposed this bill. tw telecom provided comments.

Your Committee notes that tw telecom pointed out that this bill does not address the length of time it takes for a pole owner to make the determination of whether the overall weight load on the utility pole exceeds maximum utility pole safe weights. Your Committee requests that the Committee on Finance look into this issue.

As 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. 1342, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 538 Consumer Protection & Commerce on H.B. No. 466**

The purpose of this bill is to require independent medical examinations and permanent impairment rating examinations for workers' compensation claims to be performed by physicians mutually agreed upon by employers and employees or appointed by the Director of Labor and Industrial Relations.

The Department of Labor and Industrial Relations, Hawaii Injured Workers Alliance, Hawaii State AFL-CIO, ILWU Local 142, International Association of Rehabilitation Professionals - Hawaii Chapter, Hawaii Chapter – American Physical Therapy Association, and numerous concerned individuals testified in support of this bill.

The City and County of Honolulu; the Building Industry Association of Hawaii; The Chamber of Commerce of Hawaii; Hawaiian Electric Co. Inc.; Maui Electric Company, LTD.; Hawaii Electric Light Company, Inc.; Property Casualty Insurers Association of America; John Mullen & Co., Inc.; the Society for Human Resource Management – Hawaii Chapter; Hawaii Insurers Council; Hawaii Employers' Mutual Insurance Company, Inc.; Liberty Mutual; Hawaii Independent Insurance Agents Association; the General Contractors Association of Hawaii; National Federation of Independent Business; and a concerned individual opposed this measure.

Your Committee has amended this bill by changing its effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 466, 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. 466, H.D. 2.

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

**SCRep. 539 Consumer Protection & Commerce on H.B. No. 1179**

The purpose of this bill is to improve the management of state funds by:

- (1) Establishing an advisory committee on short-term investments (advisory committee) to assist and advise the Director of Finance on the establishment and operation of a short-term investment pool;
- (2) Requiring the Director of Finance, with the assistance of the advisory committee, to establish and operate a short-term investment pool of excess state funds; and
- (3) Repealing existing provisions that authorize the Director of Finance to make short-term investments of excess state funds.

The Department of Budget and Finance submitted comments.

Upon consideration, your Committee has amended this bill by:

- (1) Specifying that the short-term investment pool includes formulating an investment policy, rather than a disclosure policy;
- (2) Broadening the short-term investment to encompass state moneys, rather than an investment pool;

- (3) Deleting the requirement that the Director of Finance establish and operate a short-term investment pool beginning January 1, 2012;
- (4) For authorized investments with state maturity dates, specifying that the investment and any underlying securities of those investments, will mature not more than five years from the date of investment;
- (5) Authorizing, rather than requiring, that the short-term investment pool be operated under contract with a private investment advisor;
- (6) Repealing the requirement that the Director of Finance make detailed information on the short-term investment pool available to prospective depositors;
- (7) Specifying that periodic statements of accounts and reports on holdings be provided to state agencies with accounts participating in the pool, rather than to pool participants;
- (8) Making the investment pool subject to independent audit conducted annually as part of the State's comprehensive annual financial audit;
- (9) Deleting the requirement that the Auditor be selected by the advisory committee; 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 H.B. No. 1179, 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. 1179, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 540 Consumer Protection & Commerce/Judiciary on H.B. No. 1050**

The purpose of this bill is to modernize the laws regulating legal service plans and allow the Insurance Commissioner to take action against plans that fail to comply with the law.

The Department of Commerce and Consumer Affairs (DCCA) supported this measure.

Your Committees have amended this bill by:

- (1) Clarifying that the Insurance Commissioner has 90 days from filing of the application by the plan to issue or deny a certificate of authority;
- (2) Repealing provisions that allocated 50 percent of the fees and penalties to the General Fund, thereby depositing all fees and penalties into the Compliance Resolution Fund;
- (3) Specifying that a fee for each criminal history record check and fingerprinting checking be established by the Insurance Commissioner;
- (4) Clarifying the repeal and reenactment provisions related to the various DCCA fees; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1050, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1050, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 541 Consumer Protection & Commerce/Judiciary on H.B. No. 337**

The purpose of this bill is to require registration for athletic trainers.

The Department of Education, the University of Hawaii, and the Hawaii Association of Athletic Trainers supported this measure. The Occupational Therapy Association of Hawaii supported the intent of the measure. The Regulated Industries Complaints Office in the Department of Commerce and Consumer Affairs, the State Auditor, the Hawaii Chapter of the American Physical Therapy Association, and an individual opposed this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs provided comments.

Your Committee finds that Hawaii is one of only three states that does not currently regulate the practice of athletic training. Regulation of this industry will require that registered athletic trainers must demonstrate minimum competency in the field.

Your Committee amended this bill by:

- (1) Adding a definition of "athlete";
- (2) Prohibiting athletic trainers from seeking reimbursement from third party insurance payers for their services; and

- (3) Changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on 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. 337, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 337, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey, Morita and B. Oshiro.

**SCRep. 542 Consumer Protection & Commerce/Judiciary on H.B. No. 879**

The purpose of this bill is to implement the recommendations of the Mortgage Foreclosure Task Force relating to service of notice, conversion from nonjudicial to judicial foreclosure, bar against deficiency judgments, notice of pendency of action, and extinguishment of a mortgagor's interest.

The Department of Commerce and Consumer Affairs, Hawaii Council of Associations of Apartment Owners, Hawaii Financial Services Association, UNITE HERE Local 5, Hawaii Credit Union League, Catholic Charities Hawaii, and many concerned individuals testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Hawaii Bankers Association supported this bill with amendments. The Community Associations Institute, and several concerned individuals opposed this measure. The Judiciary, Lulima, LLC, Faith Action for Community Equity, and many concerned individuals 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. 879 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 Souki.

**SCRep. 543 Consumer Protection & Commerce/Judiciary on H.B. No. 972**

The purpose of this bill is to require the Public Utilities Commission (PUC) to impose a civil penalty against gasoline dealers who violate the law pertaining to manufacturers or jobbers. This measure also requires the Attorney General to institute a civil action for civil penalties not paid in the time period specified by the PUC.

Legislative Information Services of Hawaii and a concerned individual testified in support of this bill. The PUC opposed this measure.

Your Committees have amended this bill by changing its effective date to January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 972, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 972, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 544 Consumer Protection & Commerce/Judiciary on H.B. No. 1220**

The purpose of this bill is to provide a private cause of action for victims who suffer a risk of harm from identity theft as the result of an information security breach.

The Department of Accounting and General Services, and a concerned individual supported this measure. The Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company Inc., the Consumer Data Industry Association, the State Privacy and Security Coalition, Inc., the Hawaii Bankers Association, the American Council of Life Insurers, and the Hawaii Credit Union League opposed this bill. The Department of Human Resources of the City and County of Honolulu and Verizon provided comments.

Your Committees have amended this bill by:

- (1) Requiring every business and government agency that maintains personal information of any residents of the State to implement a comprehensive written information security program;
- (2) Deleting the requirement that notice of a security breach include the distribution medium and method of the security breach;
- (3) Excluding entities in compliance with a security program from triple damages, limiting their damages to actual damages only;
- (4) Making technical, nonsubstantive amendments for clarity, style, and consistency; and
- (5) 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 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. 1220, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1220, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.



**SCRep. 545 Consumer Protection & Commerce/Judiciary on H.B. No. 1411**

The purpose of this bill is to provide a comprehensive approach to reform the foreclosure laws in Hawaii by replacing the current non-judicial foreclosure process with a new non-judicial process.

UNITE HERE Local 5, Catholic Charities Hawaii, and numerous individuals supported this measure. The Hawaii Association of REALTORS supported the intent of this bill. The Community Associations Institute, the Hawaii Bankers Association, the Hawaii Financial Services Association, Mililani Town Association, and the Hawaii Credit Union League opposed this bill. The Department of Commerce and Consumer Affairs, Faith Action for Community Equity, and numerous individuals offered comments.

Your Committees have amended this bill to provide greater consumer protections, clarify the non-judicial foreclosure process, and eliminate the potential for lender abuse. Amendments to the bill include:

- (1) Detailed provisions for mandatory mortgage foreclosure dispute resolution;
- (2) Clear descriptions of prohibited types of conduct in the foreclosure process and their consequences; and
- (3) Stricter regulations of the mortgage servicer industry.

Your Committee finds that this measure will provide much needed and comprehensive reform of Hawaii's foreclosure law and will help address the improprieties of the mortgage loan industry that have contributed to the foreclosure crisis facing Hawaii's homeowners today.

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. 1411, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1411, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 546 Consumer Protection & Commerce/Judiciary on H.B. No. 1051**

The purpose of this bill is to protect consumers, particularly seniors, from abusive financial services practices by adopting model regulations of the National Association of Insurance Commissioners (NAIC) in conformity with senior investor protection in the federal Dodd-Frank Wall Street and Reform and Consumer Protection Act of 2010.

The Department of Commerce and Consumer Affairs and the National Association of Insurance and Financial Advisors supported this measure. The American Council of Life Insurers testified in support of the intent of this bill.

Your Committees have amended this measure by:

- (1) Amending the definition of "annuity" to reflect the definition used in the NAIC Model Regulation; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1051, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1051, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 547 Consumer Protection & Commerce/Energy & Environmental Protection on H.B. No. 1455**

The purpose of this bill is to allow gasoline dealers to enter into cooperative purchasing agreements, pursuant to rules adopted by the Public Utilities Commission (PUC), to acquire discounts on gasoline purchases.

Several concerned individuals testified in support of this bill. The Western States Petroleum Association opposed this measure. The PUC provided comments.

Your Committees have amended this bill by:

- (1) Removing reference to PUC rules in provisions relating to participating in, sponsoring, conducting, or administering cooperative purchasing agreements; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1455, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1455, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Har, McKelvey, Morita, B. Oshiro, Yamane and Ching.

**SCRep. 548 Consumer Protection & Commerce/Energy & Environmental Protection on H.B. No. 1456**

The purpose of this bill is to protect small businesses by:

- (1) Making unfair trade practices by the petroleum industry subject to an administrative rather than criminal penalty;
- (2) Eliminating the ceiling of \$10,000 for each violation of the unfair trade practices law; and
- (3) Establishing a fine of not more than \$5,000 for each day a person is in violation of the unfair trade practices law.

Several concerned individuals testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1456 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chong, Morita, B. Oshiro, Yamane and Ching.

**SCRep. 549 Public Safety & Military Affairs on H.B. No. 130**

The purpose of this bill is to assist women in successfully transitioning back into the community by:

- (1) Requiring the Department of Public Safety (DPS) to determine the number of women who are eligible for reintegration into the community and contract with providers of gender-responsive community services; and
- (2) Appropriating funds for this purpose.

DPS, Community Alliance on Prisons, the National Association of Reformed Criminals, American Civil Liberties Union of Hawaii, and several concerned individuals testified in support of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 130, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 550 Public Safety & Military Affairs on H.B. No. 492**

The purpose of this bill is to help protect the public safety and security by, among other things, requiring the Department of Public Safety (PSD) to develop and implement a comprehensive strategic plan to correct deficiencies in the Sheriff Division reported by the Auditor. This measure also requires PSD to perform a risk assessment of each section of the Sheriff Division.

Several concerned individuals supported this bill. PSD and the Hawaii government Employees Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Including in PSD's report to the Legislature the cost allocations necessary to meet the goals of the strategic plan;
- (2) Deleting the appropriation; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 492, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 551 Public Safety & Military Affairs on H.B. No. 1008**

The purpose of this bill is to make changes to the list of federal agencies whose officers can make arrests for certain offenses under state law by:

- (1) Adding the Federal Bureau of Investigation (FBI) and the United States (U.S.) Immigration and Customs Enforcement (ICE) to the list;

- (2) Removing the Citizenship and Immigration Services from the list; and
- (3) Adding the proper titles of the heads of the Honolulu district offices for the FBI, ICE, and the U.S. Customs Border Protection Service.

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

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1008, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 552          Public Safety & Military Affairs on H.B. No. 604**

The purpose of this bill is to protect public safety by prohibiting the sale or distribution of novelty lighters.

The State Fire Council, Honolulu Fire Department, Department of Fire and Public Safety of the County of Maui, Kauai Fire Department, and County of Hawaii Fire Department testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the prohibition is for the sale and distribution of novelty lighters and not lighters in general;
- (2) Deleting the provision that excludes any lighter manufactured prior to 1980 or any lighter that lacks fuel or a component necessary to produce flame or combustion from the prohibition; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 604, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 553          Public Safety & Military Affairs on H.B. No. 876**

The purpose of this bill is to help manage the continued growth of Hawaii's inmate population by requiring the Department of Accounting and General Services and Department of Public Safety (PSD) to plan and design the construction and operation of a new minimum-security facility similar to the facilities of the Honolulu Federal Detention Center and authorizing the issuance of an unspecified amount in general obligation bonds to do so.

PSD supported the intent of this bill. A concerned individual opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 876, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 554          Public Safety & Military Affairs on H.B. No. 1085**

The purpose of this bill is to protect public health and safety by updating Hawaii's controlled substances law to conform to federal law. Among other things, this bill:

- (1) Updates the list of controlled substances under the designation of Schedule I, Schedule II, and Schedule III controlled substances;
- (2) Requires a separate registration for each principal place of business or professional practice that recommends the medical use of marijuana;
- (3) Provides flexibility in determining the way information relevant to the dispensation of a controlled substance is reported;
- (4) Allows the Department of Public Safety (PSD) more flexibility in identifying and tracking the abuse of certain non-controlled substances; and

- (5) Increases the medical use of marijuana permit fee from no more than \$25 to no more than \$50.

The Department of the Prosecuting Attorney of the City and County of Honolulu and PSD supported this bill. The Drug Policy Forum of Hawaii, Drug Policy Action Group, Americans for Safe Access Big Island Chapter, Friend 4 Justice, and numerous concerned individuals testified in opposition to this measure. Several concerned individuals offered comments.

While concerns were raised regarding the legality of requiring a separate registration for each principal place of business or professional practice that simply recommends the medical use of marijuana, this matter is beyond the purview of the Committee on Public Safety and Military Affairs. Your Committee respectfully requests the Committee on Judiciary to consider and look into this issue further as this measure continues through the legislative process.

Your Committee has amended this bill by:

- (1) Reducing the increase in the medical use of marijuana permit fee from no more than \$50 to no more than \$35; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1085, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 555 Public Safety & Military Affairs on H.B. No. 1620**

The purpose of this bill is to exempt from the laws relating to fraternal benefit societies, associations that:

- (1) Were organized before 1880;
- (2) Consist of members who are active, retired, or honorably discharged members of the United States armed forces or sea services; and
- (3) Have a principal purpose to provide insurance and other benefits to their members and their dependants or beneficiaries.

Testimony in support of this measure was submitted from Navy Mutual. The Department of Commerce and Consumer Affairs supported the intent of the measure.

Your Committee finds that the types of associations proposed to be exempted by this measure pre-date the enactment of existing fraternal benefit society laws in Hawaii and are organized for the benefit of military members and their families. These associations do not operate as commercial insurance companies, but are not specifically exempted from the State's fraternal benefit code along with societies that insure members of other hazardous occupations. Your Committee notes that, although the Hawaii Insurance Commissioner has historically treated these associations as exempt from the definition of fraternal benefit societies, your Committee finds that this measure would codify this exemption. Your Committee further finds that this measure would clarify the status of these associations so that they may continue to provide benefits to military service members that would not be available otherwise from traditional commercial insurance companies.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1620 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 Luke and Souki.

**SCRep. 556 Public Safety & Military Affairs on H.B. No. 491**

The purpose of this measure is to help ensure that the Sheriff Division of the Department of Public Safety meets proper law enforcement standards necessary to fulfill the requirements of the job.

Specifically, this measure requires the Department of Public Safety to seek and obtain accreditation for its Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc. by December 1, 2014.

Your Committee received testimony from eight law enforcement officers and nine private individuals stating their support for this measure. Testimony supporting the intent of this measure was submitted by the Department of Public Safety and one law enforcement officer.

Your Committee finds that requiring accreditation of the Sheriff Division will help the Department of Public Safety ensure that proper law enforcement standards are met and upheld.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 491 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 557 Public Safety & Military Affairs on H.B. No. 1458**

The purpose of this measure is to expand the offense of escape in the second degree to include persons who fail to present themselves to a correctional or detention facility at the time ordered by a court of law.

Your Committee received testimony from the Department of Public Safety in support of this measure. The National Association of Reformed Criminals submitted testimony expressing its opposition to the measure.

Your Committee finds that, currently, a person who fails to report to a correctional or detention facility may be charged only with contempt of court, which is a misdemeanor. This measure addresses this important public safety issue making it a class C felony offense of escape in the second degree if a person fails to comply with a court's directive to report to a correctional or detention facility.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1458 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 558 Public Safety & Military Affairs on H.B. No. 172**

The purpose of this measure is to protect fire and rescue workers who may encounter physical violence in the performance of their duties, by expanding the offenses of assault against a law enforcement officer in the first and second degree to include assaults against firefighters and water safety officers. This measure also defines "water safety officer".

The State Fire Council, Hawaii State Association of Counties, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Fire Department, Kauai Fire Department, the Hawaii Government Employees Association, and several individuals testified in support of this measure. The National Association of Reformed Criminals opposed this measure.

Your Committee finds that firefighters and water safety officers are responsible for protecting and rendering aid to citizens in dangerous emergency and rescue situations. These incidents sometimes involve hostile and volatile situations that can threaten the safety of these workers. Your Committee notes that, in addition to the protections under this measure, more education should be provided regarding assaults against law enforcement officers, firefighters, and water safety officers.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 172 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 559 Public Safety & Military Affairs on H.B. No. 1**

The purpose of this bill is to designate a special design Gold Star Family license plate for children, parents, spouses, and siblings of fallen soldiers, to be provided by the Director of Finance of the City and County of Honolulu by October 1, 2011.

A representative from the Hawaii Chapter of the Association of the United States Army and several individuals submitted testimony in support of this bill. The Office of Veteran's Services submitted testimony supporting the intent of the bill. The Director of the City and County of Honolulu's Department of Customer Services, Division of Motor Vehicle, Licensing and Permits provided comments.

Your Committee finds that it is important for the State to recognize and honor our country's fallen soldiers, as well as their surviving family members. Your Committee further finds that it is important to remind the public of the sacrifices that both our soldiers and their families make every day in defense of our country. This measure will help accomplish both purposes.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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 Luke, Saiki, Souki and Takumi.

**SCRep. 560 Consumer Protection & Commerce/Judiciary on H.B. No. 1052**

The purpose of this bill is to adopt amendments to the insurance code to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 relating to surplus lines insurance and to participate in a multi-state cooperative to collect surplus lines premium taxes and fees and distribute to the individual states their taxes and fees.

The Department of Commerce and Consumer Affairs testified in support of this bill. The National Association of Professional Surplus Lines Offices, Ltd., opposed this measure.

Your Committees have amended this bill by:

- (1) Adding the Mariana Islands to the State definition;

- (2) Adding the Mariana Islands to the United States definition;
- (3) Changing reporting requirements for insurance independently procured by requiring, among other things:
  - (A) Each insured who in this State, before July 1, 2011, procures, continues, or renews surplus lines insurance on a risk located or to be performed in whole in this State, other than insurance procured through a surplus lines broker pursuant to part III of this article shall, within sixty days after the date the insurance was procured, continued, or renewed, file a written report with the commissioner;
  - (B) Each insured who in this State, after June 30, 2011, procures, continues, or renews surplus lines insurance for which this State is the home state of the insured, other than insurance procured through a surplus lines broker pursuant to part III of this article shall, within forty-five days after the end of the calendar quarter in which the insurance was procured, continued, or renewed, file a written report with the commissioner; and
  - (C) The report to show a policy number, effective date of policy, and home state;
- (4) Restoring language that if an independently procured policy covers risks or exposures only partially located or to be performed in this State, the tax payable to this State shall be computed on the portion of the premium properly attributable to the risks or exposures located or to be performed in this State;
- (5) Restoring language that insurance on subjects located, resident, or to be performed wholly outside this State, or on vehicles or aircraft owned and principally garaged outside this state is exempted from surplus lines law;
- (6) Changing reporting requirement due dates for the surplus lines broker's reports to the commissioner;
- (7) Removing the authorization for the commissioner to establish a uniform statewide rate of taxation applicable to surplus lines insurance that shall be collected by other states; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 1052, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1052, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Souki and Thielen.

**SCRep. 561          Tourism/Economic Revitalization & Business on H.B. No. 1617**

The purpose of this bill is to assist Hawaii's visitor industry and provide a means of infrastructure improvements to public lands while protecting State interests by:

- (1) Providing for an extension of leases of public lands for commercial, hotel, resort, or industrial use to a maximum of 55 years if substantial improvements are made to the demised premises;
- (2) Requiring that the plans and specifications for the total development being proposed be submitted to the Board of Land and Natural Resources (BLNR) for review prior to a development agreement being entered into; and
- (3) Prohibiting the commencement of construction until a sufficient bond conditioned upon the full and faithful performance of all the terms and conditions of the development agreement has been filed with BLNR.

The Hawaii Tourism Authority testified in support of this bill. The Department of Land and Natural Resources opposed this measure.

Your Committees have amended this bill by:

- (1) Adding a purpose section to describe historical background regarding deteriorating infrastructure;
- (2) Adding provisions clarifying that the extension of a lease, similar to the issuance of a new lease, is subject to the most current leasing practices and policies of BLNR;
- (3) Specifying that the applicant for a lease extension pay all costs and expenses; 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 Tourism and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1617, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.B. No. 1617, H.D. 1.

Signed by all members of the Committee except Representative Ching.

**SCRep. 562      Judiciary on H.B. No. 823**

The purpose of this bill is to promote public safety, and assist in defraying the administrative costs of the Judiciary by:

- (1) Increasing fines for certain traffic offenses;
- (2) Increasing administrative fees for certain traffic offenses; and
- (3) Apportioning parts of the increased fees to the Judiciary Computer System Special Fund, the Judiciary Facilities Repair and Maintenance Fund, and the General Fund.

The Office of the Public Defenders, the City and County of Honolulu Department of the Prosecuting Attorney testified in opposition to this measure. The Judiciary provided comments.

Your Committee has amended this measure by:

- (1) Deleting the allocation to the Judiciary Facilities Repair and Maintenance Fund;
- (2) Reapportioning the 25 percent designated for the Judiciary Facilities Repair and Maintenance Fund to the General Fund for a total of 50 percent;
- (3) Returning the traffic and administrative fees to their original statutory amount; and
- (4) Changing the effective date to January 7, 2059.

As affirmed by the record of votes of 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. 823, 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. 1.

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

**SCRep. 563      Judiciary on H.B. No. 290**

The purpose of this bill is to improve the operations of the Department of Agriculture (DOA) by:

- (1) Establishing the Agriculture Inspection and Certification Special Fund (Special Fund) to pay for:
  - (A) Licensure of commission merchants, dealers, brokers, agents, processors, and retail merchants;
  - (B) Administration, operation, and enforcement of laws relating to farm produce, feed, and grades and standards; and
  - (C) Inspection, certification, weighing, or grading of agricultural commodities;
- (2) Specifying that certain fees, charges, expenses, or penalties collected under the regulatory operations of DOA shall be transmitted to the Special Fund;
- (3) Requiring DOA to adopt new or amend existing rules to impose or increase fees collected under the regulatory operations of DOA to pay for the regulatory operations and costs relating to central services and departmental administrative expense assessments;
- (4) Allowing DOA to enter into cooperative agreements with other public or private entities for:
  - (A) Travel and other expenses for inspectors to perform certain required certification and audit services; and
  - (B) An internet food safety promotional and reporting system; and
- (5) Making appropriations in an unspecified amount for the DOA's Agriculture Inspection and Certification Program.

The Hawaii Farm Bureau Federation and Hawaii Crop Improvement Association testified in support of this bill. DOA, the Department of Budget and Finance, and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 290, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 564      Judiciary on H.B. No. 268**

The purpose of this bill is to increase public safety by allowing counties to conduct criminal history record checks of prospective employees:

- (1) For work with vulnerable adults or senior citizens in community based-programs;

- (2) For fire department positions that involve contact with children or dependent adults;
- (3) For emergency medical service positions that involve contact with children or dependent adults;
- (4) For emergency management positions that involve planning and executing measures for the security of their respective jurisdictions; and
- (5) For county liquor commission positions involving liquor control investigations.

The State Fire Council, Honolulu Fire Department, City and County of Honolulu Department of Human Resources, Hawaii Fire Department, and a concerned individual testified in support of this measure. The Hawaii Civil Rights Commission offered comments.

Your Committee has amended this bill by:

- (1) Deleting those provisions authorizing counties to conduct criminal history record checks for prospective county employees of emergency management positions involving planning and executing measures for the security of their respective jurisdictions and county liquor commission positions involving liquor control investigations; and
- (2) Changing the effective date to January 7, 2059, 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. 268, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 268, H.D. 1.

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

**SCRep. 565          Judiciary on H.B. No. 1071**

The purpose of this bill is to protect the community by requiring the Department of Health (DOH) to establish and monitor a Fitness Restoration Program (Program) for those defendants released on conditions after being found unfit to stand trial, and report rehabilitation plans and compliance to the Department of Public Safety (DPS).

The Office of the Public Defender, DOH, and Hawaii Disability Rights Center testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney opposed this measure. DPS provided comments.

Your Committee has amended this bill by:

- (1) Requiring DOH to inform the prosecuting attorney of the county that charged the defendant of the Program plan and any noncompliance thereof on the part of the defendant rather than DPS; and
- (2) Changing its effective date to January 7, 2059, 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. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 566          Judiciary on H.B. No. 119**

The purpose of this bill is to address the financial difficulty faced by the State and its citizens by amending the Tax Code to:

- (1) Allow taxpayers to designate the tax period for any payment made or penalty assessed on the taxpayer;
- (2) Provide taxpayers equitable relief from tax liability if the circumstances show it is in the interest of justice;
- (3) Place the burden of proof of the Department of Taxation (DOTAX) in specified proceedings before the board of review or tax appeal court; and
- (4) Create a state-wide tax amnesty program to waive penalties on income-tax deficiencies for taxable periods prior to December 31, 2010, where taxpayers make payments of the income-taxes owed.

The Department of the Attorney General, DOTAX, and the Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this measure by:

- (1) Reducing the time period within which an assessment shall be deemed final in accordance with sections 235-108 and 237-36, Hawaii Revised Statutes, from 30 days to 20 days after service of the notice of assessment;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and



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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 119, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 567            Judiciary on H.B. No. 836**

The purpose of this bill is to require the State or, alternatively, the counties to exercise its power of eminent domain against private property owners upon the request of an adjacent land owner.

Several concerned individuals testified in support of this bill. The Department of the Attorney General, Department of Land and Natural Resources, Department of Transportation, City and County of Honolulu Department of Design and Construction, County of Hawaii's Office of the Corporation Counsel, and City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1) Replacing its contents with provisions that clarify that county public highways once established that are vacated, closed, abandoned, or discontinued are to remain the property of the county in which they are located and are deemed to be old government roads; and
- (2) Changing its effective date to January 7, 2059, 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. 836, 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. 836, H.D. 2.

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

**SCRep. 568            Judiciary on H.B. No. 1064**

The purpose of this bill is to continue to protect Hawaii's children by clarifying language in the Child Protective Act, Chapter 587A, Hawaii Revised Statutes, to ensure consistency in practice and compliance with applicable federal requirements, under federal Title IV-E.

The Judiciary, Department of the Attorney General, and Department of Human Services 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 H.B. No. 1064, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1064, H.D. 1.

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

**SCRep. 569            Judiciary on H.B. No. 231**

The purpose of this bill is to improve the safety of those living in public housing by:

- (1) Requiring that any person who trespasses on the premises of public housing consistently and predominantly obtain a visitor's pass;
- (2) Requiring the Hawaii Public Housing Authority to implement rules for issuing visitor's passes;
- (3) Including those who remain unlawfully in or upon the premises of public housing after reasonable warning or request to leave by housing management or police as an act of criminal trespass in the first degree;
- (4) Establishing that remaining unlawfully in upon the premises of a public housing project without a visitor's pass constitute prima facie evidence of trespass in the first degree; and
- (5) Establishing a pilot project for increased safety and security at Mayor Wright Homes.

Several concerned individuals testified in support of this measure. The Hawaii Public Housing Authority, Office of the Public Defender, and American Civil Liberties Union of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Making visitors passes for public housing premises a requirement of all visitors and not limiting the requirement to those who consistently and predominantly trespass;
- (2) Deleting reference to prima facie evidence;

- (3) Changing the effective date to January 7, 2059, 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. 231, 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. 231, H.D. 2.

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

**SCRep. 570          Judiciary on H.B. No. 1435**

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

- (1) Retroactively allows persons arrested for a repeated violation of the offense of operating a vehicle under the influence of an intoxicant (OVUII repeat offender) after December 31, 2010, to request the return of any motor vehicle registration and number plates required to be surrendered;
- (2) Requires return of the motor vehicle registration and number plates to individuals covered by (1) above making such a request, with certain exceptions;
- (3) Allows the OVUII repeat offender covered by (1) above to apply for an ignition interlock permit upon return of the motor vehicle registration and number plates;
- (4) Repeals the definitions of "qualified household member", "temporary number plates", and "temporary vehicle registration" from the Interlock Law as these definitions are no longer necessary;
- (5) Removes motor vehicle registration revocation and surrender of number plates requirements for cars owned by OVUII repeat offenders to permit these individuals to install an ignition interlock device in their vehicles;
- (6) Deletes provisions allowing the Administrative Director of the Courts to grant a special motor vehicle registration to certain individuals upon the determination that the individual is completely dependent on the motor vehicle for the necessities of life, as this language is no longer necessary;
- (7) Removes language stipulating certain specific costs for which the \$30 fee for an administrative hearing would be used to pay for;
- (8) Repeals language requiring that the revocation of a motor vehicle registration under the Interlock Law be electronically entered into the motor vehicle registration file;
- (9) Deletes language providing criteria for re-registration of a motor vehicle whose registration was administratively revoked under the Interlock Law;
- (10) Prohibits ignition interlock permits to be issued to any defendant who holds a learner's permit;
- (11) Allows an individual who has had their license to operate a motor vehicle revoked for life to be eligible for a temporary permit to drive if certain conditions are met, including the installation of an ignition interlock device on their vehicle;
- (12) Establishes various time-periods required for an ignition interlock device to be installed in the vehicle of an individual under (11) above depending on how long the individual has been without a license to operate a motor vehicle;
- (13) Allows for an individual covered under (11) above to be eligible for relicensing after certain requirements are met and the temporary permit expires;
- (14) Repeals unnecessary statutory provisions relating to special series number plates, failure to surrender number plates, special motor vehicle registration, and prohibitions governing the transfer of title to, or ownership of interest in, a motor vehicle; and
- (15) Extends the term of the Task Force for an additional year.

The Department of the Prosecuting Attorney for the City and County of Honolulu and several concerned individuals supported this bill. The Department of the Attorney General supported the intent of this measure. The Department of Transportation, Ignition Interlock Task Force, Department of Health, City and County of Honolulu, Mothers Against Drunk Driving HAWAII, and a concerned individual opposed this bill. The Judiciary provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that extend the Task Force for an additional year;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1435, 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. 1435, H.D. 2.

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

**SCRep. 571            Judiciary on H.B. No. 1009**

The purpose of this bill is to allow the State to retain fingerprints of employment and licensing applicants for whom criminal history record checks are authorized statutorily so the State may implement a statewide "Rapback" program using all information and records, including fingerprints, to provide relevant licensing agencies and employers an updated criminal record if a fingerprinted individual is subsequently arrested.

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

Your Committee has amended this measure by:

- (1) Limiting the records to be retained by the Hawaii Criminal Justice Center to records of fingerprints to comport with the title of this bill; 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. 1009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1009, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito and McKelvey.

**SCRep. 572            Judiciary on H.B. No. 396**

The purpose of this bill is to require members of certain state boards, councils, and commissions to undergo mandatory training relating to native Hawaiian and Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust.

The Office of Hawaiian Affairs, Hanalei Watershed Hui, Native Hawaiian Legal Corporation, Association of Hawaiian Civic Clubs, Oahu Council – Association of Hawaiian Civic Clubs, Ko'olaupoko Hawaiian Civic Club, and a concerned individual supported this bill. The Libertarian Party of Hawaii and several concerned individuals opposed this bill. The Department of Land and Natural Resources submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the members of the Land Use Commission, Environmental Council, Board of Directors of the Agribusiness Development Corporation, Board of Agriculture, and the Board of Health from the mandatory training requirement provisions;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 396, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 396, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, and B. Oshiro.  
(Representative Souki voted no.)

**SCRep. 573            Judiciary on H.B. No. 980**

The purpose of this bill is to ensure that administrative rules are reviewed and updated to remain current with related statutory provisions by:

- (1) Requiring each state agency with rules affecting small business to submit an annual report to the Small Business Regulatory Review Board (Board) regarding statutory changes that impact these rules, and the status of each amended or new rule for which adoption is pending; and
- (2) Requiring the governor to direct state agencies to work with the Board to develop internal processes to expedite rulemaking actions for rules relating to small business that require amendment or adoption, due to a change in applicable law.

The Department of Business, Economic Development, and Tourism, National Federation of Independent Business HAWAII, and a concerned individual testified in support of this bill. The Department of Budget and Finance supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morita.

**SCRep. 574            Judiciary on H.B. No. 889**

The purpose of this bill is to protect consumers of hospital services from health care-associated infections by establishing reporting requirements for certain Hawaii health care facilities. Among other things, this measure:

- (1) Requires each health care facility certified by the Centers for Medicare and Medicaid Services to report on health care-associated infections to the Centers for Disease Control and Prevention's (CDC) National Healthcare Safety Network (Network);
- (2) Requires health care facilities to authorize CDC to provide access to Network data reported by those facilities to the State Department of Health (DOH);
- (3) Requires DOH to maintain and preserve patient confidentiality;
- (4) Allows DOH to issue reports to the public about health care-associated infections under certain conditions; and
- (5) Requires DOH to prepare an annual public report on health care-associated infections for the previous calendar year beginning in 2013.

DOH and the Healthcare Association of Hawaii (HAH) testified in support of this bill. APIC-Hawaii provided comments.

Your Committee notes this bill reflects the combined efforts of DOH and HAH to provide language to address health care-associated infections. Thus, your Committee finds this measure requires further consideration and discussion.

Your Committee has amended this bill to reflect the work of DOH and health care facilities for federal reporting of health care-associated infections and by:

- (1) Changing its effective date to January 7, 2009, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 889, 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. 889, H.D. 2.

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

**SCRep. 575            Judiciary on H.B. No. 461**

The purpose of this bill is to ensure the ability of members of the military and other eligible voters who are overseas to participate in all elections for federal, state, and local offices by enacting the Uniform Military and Overseas Voters Act.

The Department of Defense, The Chamber of Commerce of Hawaii, Commission to Promote Uniform Legislation, and Military Officers Association of America-Hawaii Chapter supported this bill. The Office of Elections, Elections Office of the City Clerk of the City and County of Honolulu, and Office of the County Clerk of the County of Maui provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 461, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morita.

**SCRep. 576            Judiciary on H.B. No. 684**

The purpose of this bill is to provide shelter and emergency care for the state's runaway or transient youth by, among other things:

- (1) Authorizing certain child care providers to provide emergency shelter and related services where it is for the minor's benefit based on the minor's consent;
- (2) Shielding both provider and parents or guardians from liability for emergency shelter provided or related services rendered where the minor gave consent; and
- (3) Requiring the provider to report findings that the minor is subject to imminent harm or danger to the Department of Human Services or the police.

Harm Reduction Hawaii, Hawaii Youth Services Network, American Civil Liberties Union of Hawaii, Waikiki Health Center, and Planned Parenthood of Hawaii testified in support of this measure.

Your Committee has amended this bill based on suggestions and language provided by the Hawaii Youth Services Network by:

- (1) Defining "temporary safe shelter" and "related services" to clarify the types of shelter and services covered in this bill;
- (2) Clarifying requirements for valid consent from the minor;
- (3) Clarifying the circumstances under which a provider may give shelter or services in the face of consent or non-consent by the parent or guardian;
- (4) Requiring that all shelter and services offered by the provider to the minor must be provided free of charge;
- (5) Requiring that where a provider has made contact with the minor's parent or guardian, and the parent or guardian does not consent to the minor's receiving the temporary shelter and services, the minor's consent is only effective if the provider reasonably believes the minor would be harmed or threatened with harm if the minor were returned immediately to the parent or guardian;
- (6) Deleting redundant provisions barring liability of the provider; and
- (7) Changing its effective date to January 7, 2059, 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. 684, 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. 684, H.D. 2.

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

**SCRep. 577            Judiciary on H.B. No. 246**

The purpose of this bill is to assist the Department of the Prosecuting Attorney of the City and County of Honolulu accomplish their mission more effectively by appropriating funds for:

- (1) The career criminal prosecution unit;
- (2) Prosecution in drug court;
- (3) Prosecution in Hawaii's opportunity probation with enforcement program; and
- (4) The victim witness assistance program.

The Honolulu Police Department, Downtown Neighborhood Board 13, and a concerned individual testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 246 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morita.

**SCRep. 578            Judiciary on H.B. No. 1001**

The purpose of this bill is to appropriate funds to satisfy specified outstanding claims against the State, its officers, and employees for legislative relief, refunds, reimbursements, payments of judgments or settlements, or other liabilities.

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

Your Committee has amended this bill by:

- (1) Adding a settlement amount of \$250,000 to the list of claims to be paid out of the general fund appropriated by this measure for a claim resolved subsequent to this bill's introduction; and
- (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. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Herkes, Morita, Souki and Marumoto.

**SCRep. 579            Judiciary on H.B. No. 1627**

The purpose of this bill is to establish procedures for the recognition by the State of a first nation government.

The Association of Hawaiian Civic Clubs and Aha Kiole Advisory Committee supported this bill. The Department of Hawaiian Homelands supported the intent of this measure. The Grassroot Institute of Hawaii and several concerned individuals opposed this bill. The Office of Hawaiian Affairs and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that:
  - (A) Require the Governor to establish and appoint a nine-member commission;
  - (B) Proposed the creation of a roll of qualified Native Hawaiian constituents; and
  - (C) Delineated a process of reorganization and ratification of governing documents and elections;
- (2) Deleting the definitions of "commission" and "council";
- (3) Requiring the Office of Hawaiian Affairs to submit proposed legislation no later than twenty days prior to the convening of the 2012 legislative session relating to a process for the certification of organic documents of a first nation government and approval of those documents by the governor; and
- (4) Making technical, nonsubstantive amendments for the purpose 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. 1627, 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. 1627, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey and Morita.  
(Representative Souki voted no.)

**SCRep. 580            Judiciary on H.B. No. 132**

The purpose of this bill is to require the collection of DNA, print impressions, and, in certain cases, blood specimens from arrestees for sex offenses against minors.

The Surviving Parents Coalition testified in support of this bill. The Office of the Public Defender, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Japanese American Citizens League, and several concerned individuals opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Inserting a provision to establish a mechanism to expunge those samples taken upon arrest for sex offenses against a minor;
- (2) Limiting the samples authorized for collection upon arrest to DNA samples;
- (3) Changing its effective date to January 7, 2059, 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. 132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 132, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 581            Judiciary on H.B. No. 1225**

The purpose of this bill is to afford native Hawaiians a unique and exclusive source of revenue by:

- (1) Authorizing bingo to be conducted by one authorized licensee at one site on Hawaiian home lands; and
- (2) Establishing the Hawaii Bingo Commission within the Department of Commerce and Consumer Affairs (DCCA) to regulate bingo within the State, including licensing, taxation, criminal sanctions, and proper conduct and methods for bingo.

The Sovereign Councils of the Hawaiian Homelands Assembly supported the intent of this bill. The City and County of Honolulu Police Department, United Methodist Church, Hawai'i Coalition Against Legalized Gambling, and several concerned individuals testified in opposition to this measure. The Department of Hawaiian Home Lands; DCCA; Radcliffe & Associates, LLC; and Hawaii Coalition provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1225 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Morita.  
(Representatives Fontaine, Marumoto and Thielen voted no.)

**SCRep. 582            Judiciary on H.B. No. 1513**

The purpose of this bill is to continue the success of the Weed and Seed Program in reducing violent crime and drug use on Oahu by:

- (1)        Establishing a permanent Weed and Seed Program (Program) within the Department of Labor and Industrial Relations (DLIR);
- (2)        Creating the Weed and Seed Advisory Committee (Advisory Committee) to guide the Program, including members from relevant government, business, and community organizations; and
- (3)        Appropriating funds to the Young Men's Christian Association of Honolulu (YMCA) in the form of a grant to maintain the operations of the Program.

Office of Community Services, Hawaii Public Housing Authority, Honolulu Police Department, Meadow Gold Dairies, Director of Honolulu Weed and Seed, Principal of Linapuni Elementary School, Vice Principal of James Campbell High School, Waipahu Elementary School, and a large number of non-profits and community members testified in support of this measure.

Your Committee has amended this bill by:

- (1)        Eliminating the requirement to establish an Advisory Committee;
- (2)        Changing the expending agency for the weed and seed strategy from the YMCA to DLIR;
- (3)        Changing its effective date to January 7, 2059, 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. 1513, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1513, H.D. 1.

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

**SCRep. 583            Judiciary on H.B. No. 467**

The purpose of this bill is to provide additional protection to public employees who report violations of the law and other improper activities. Specifically, this bill:

- (1)        Prohibits an employer from taking certain threatening or discriminatory actions against an employee; and
- (2)        Allows an employee to bring a civil action for punitive damages against an individual alleged to be in violation of these provisions.

The Hawaii Government Employees Association and a concerned individual testified in support of this bill. The Department of the Attorney General, Department of Human Resources Development, and the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1)        Eliminating the provisions authorizing punitive damages;
- (2)        Adding violations or suspected violations of contracts entered into by the State, a political subdivision of the State, or the United States to those items for which a public employee may not be discharged or discriminated against for reporting;
- (3)        Including any employee of any general contractor or subcontractor executing of public contract in the definition of "public employee" and any general contractor or subcontractor executing of public contract in the definition of "public employer";
- (4)        Excluding employees who knowingly make a false report from the bill's protection;
- (5)        Changing the effective date to January 7, 2059, 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. 467, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 467, H.D. 1.

Signed by all members of the Committee except Representative Morita.

**SCRep. 584      Judiciary on H.B. No. 638**

The purpose of this bill is to ensure public support and confidence in elected officials by authorizing the use of the instant runoff method of voting for elections with no primary election and in special elections subject to a runoff election if no candidate received a majority vote in the initial special election; provided that in instant runoff elections, a majority vote shall be required unless no candidate achieves a majority after the fourth run-off tabulation, in which case the candidate with highest vote count wins.

The Progressive Democrats of Hawaii, Americans for Democratic Action, and several concerned individuals testified in support of this measure. The Office of Elections and the Democratic Part of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Narrowing the application of the instant runoff voting method to elections for county office;
- (2) Requiring counties to use instant runoff voting in elections with no primary election and special elections that would normally require a runoff election if no candidate received a majority of votes cast;
- (3) Establishing that if there is no candidate who is elected by a majority of the votes after the first tabulation of votes, all candidates who received less than one percent of the votes will be eliminated and their votes transferred to the next candidate selected on the ballot;
- (4) Requiring the Office of Elections to distribute educational materials explaining instant runoff voting prior to the election; 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. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 638, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 585      Judiciary on H.B. No. 781**

The purpose of this bill is to establish gaming in Hawaii. Specifically, this bill:

- (1) Establishes the Hawaii Gaming Control Commission (Gaming Commission) to regulate gaming;
- (2) Limits the casino site to a Waikiki stand-alone facility, not located within a hotel; and
- (3) Appropriates \$5,000,000 for fiscal year 2011-2012 to fund the operations of the Gaming Commission, to be reimbursed by the casino licensee.

Radcliffe and Associates, LLC, SMS Research, and a concerned individual testified in support of this bill. The Honolulu Police Department, Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Coalition Against Legalized Gambling, Pro-Family Hawaii, Hawaii Coalition, Hawaii County League of Women Voters, and numerous concerned individuals testified in opposition to this measure. The Office of Information Practices provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the use of documentation provided to or used by the Gaming Commission upon reviewing an application by a licensee to protect privacy and confidentiality rights;
- (2) Adding provisions for a one-time license issuance fee;
- (3) Changing the wagering tax imposed on the monthly gross receipts received from casino gaming from six and three-fourths percent to fifteen percent;
- (4) Deleting provisions concerning the confidentiality of casino licensure records;
- (5) Changing its effective date to January 7, 2009, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Morita.  
(Representatives Fontaine, Marumoto and Thielen voted no.)



**SCRep. 586      Judiciary on H.B. No. 688**

The purpose of this bill is to require the Department of Education (DOE) to maintain, monitor, and enforce anti-bullying and anti-harassment policies and procedures to protect public school students from bullying, cyberbully, and harassment. The Act defines the terms "bullying," "cyberbully," and "harassment," and requires DOE to adopt rules to carry out the purpose of this section. This bill is known as the "Safe Schools Act."

The Department of the Prosecuting Attorney of the City and County of Honolulu, the Democratic Party of Hawaii, Hawaii State Democratic Women's Caucus, PFLAG-OAHU, Honolulu Pride, Japanese American Citizens League, Hawaii Youth Services Network, a member of the Board of Education, and many concerned individuals supported this measure. DOE and a concerned individual opposed this bill.

Your Committee finds that there are a significant number of public school students who have experienced bullying or harassment at school and school-sponsored activities. There is a clear need for DOE to establish and enforce understandable, comprehensive, and consistent anti-bullying and anti-harassment policies and procedures. Maintaining such policies will help to ensure that students have a safe and civil learning environment and will raise the bar of respect at our state's schools. Your Committee also finds that the DOE already has broad rule-making authority to carry out the Act pursuant to Section 302A-1112.

Your Committee has amended this bill by:

- (1) Removing the requirement for DOE to adopt rules to maintain and monitor anti-bullying and anti-harassment policies and procedures;
- (2) Requiring DOE to submit a report regarding the implementation of anti-bullying and anti-harassment policies and procedures;
- (3) Changing its effective date to January 7, 2059, 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. 688, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 688, H.D. 1.

Signed by all members of the Committee except Representative Morita.

**SCRep. 587      Judiciary on H.B. No. 341**

The purpose of this bill is to protect the rights of employees by making it an unlawful practice for any employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available sick leave. This bill also allows an employer or labor organization to require the employee to provide written verification from a physician indicating that the employee was ill when the sick leave was used.

The Hawaii State AFL-CIO, International Brotherhood of Electrical Workers, International Brotherhood of Electrical Workers Local 1260, International Brotherhood of Electrical Workers Local 1357, and International Longshore and Warehouse Union Local 142 testified in support of the bill. The Department of Labor and Industrial Relations (DLIR) supported the bill's intent and suggested amendments. The Hawaiian Electric Company, Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., General Contractors Association of Hawaii, Chamber of Commerce of Hawaii, First Hawaiian Bank, Hawaii Credit Union League, National Federation of Independent Businesses, and Hawaiian Telcom testified in opposition.

The suggested amendments of DLIR and the concerns of the testifiers were given due consideration.

Your Committee finds that employers sometimes unfairly penalize employees who use accrued and available sick leave for legitimate illness. This measure balances the employee's need to use sick leave for a legitimate illness with the employer's need to prevent employees from abusing this benefit.

Your Committee has amended this bill by:

- (1) Modifying the circumstances under which an employer may require an employee to provide a doctor's note verifying the illness to those absences lasting three or more consecutive days;
- (2) Clarifying that it shall be an unlawful practice for any 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; and
- (3) Changing its effective date to January 1, 2059, to allow for 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. 341, 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. 341, H.D. 2.

Signed by all members of the Committee except Representative Morita.

**SCRep. 588      Judiciary on H.B. No. 397**

The purpose of this bill is to assist in the review of legislative resolutions regarding proposed exchanges, sales, or gifts of state land for consideration by the legislature by requiring:

- (1) Specificity in all concurrent resolutions of proposed exchanges, sales, or gifts of state land, including whether the land was classed as government or crown lands prior to August 15, 1895; and
- (2) That a copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs (OHA) at least three months prior to the appropriate legislative session.

OHA; Oahu Council, Association of Hawaiian Civic Clubs; Koolauapoko Hawaiian Civic Club; Aha Kiole Advisory Committee; and several concerned individuals supported this bill. The Association of Hawaiian Civic Clubs opposed this measure. The Department of Land and Natural Resources and Hawaii Housing Finance and Development Corporation provided comments.

Your Committee has amended this bill by:

- (1) Removing the requirement for specificity in the purpose for which lands are being exchanged, sold, or given in resolutions and concurrent resolutions submitted to the Legislature;
- (2) Allowing the designated state agency to submit a draft copy of the resolution or concurrent resolution to OHA; and
- (3) Changing its effective date to January 7, 2059, 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. 397, 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. 397, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita and B. Oshiro.

**SCRep. 589            Housing on H.B. No. 581**

The purpose of this bill is to require planned community associations, condominium property managers, and associations of apartment owners to make association records and documents available to owners and their respective agents under reasonable terms and for reasonable costs.

Two concerned individuals testified in support of this bill. The Real Estate Commission testified in support of the intent of this bill with comments. Mililani Town Association and the Co-Chair of the Legislative Action Committee of the Community Associations Institute testified in opposition to the measure. The Hawaii Association of REALTORS® and two concerned individuals submitted comments.

Upon consideration, your Committee has amended this bill by making the following changes that affect planned community associations under Chapter 421J, Hawaii Revised Statutes (HRS); condominium property regimes under Chapter 514A, HRS; and condominiums Chapter 514B, HRS:

- (1) Eliminating the availability of association records and documents on 24-hour loan;
- (2) Making association records and documents available in electronic form through websites, maintained by associations and property management companies, if available and accessible to the members or owners; 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. 581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 581, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 590            Housing on H.B. No. 430**

The purpose of this bill is to bolster the ability of the Homeless Programs Office (HPO) of the Department of Human Services (DHS) to meet the needs of the State's growing homeless population by appropriating funds to restore positions for the HPO.

The Hawaii Catholic Conference, Catholic Charities of Hawaii, and Oahu's Coalition of Homeless Providers testified in support of this bill. DHS and a concerned individual supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 430 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 591            Housing on H.B. No. 960**

The purpose of this bill is to encourage the development of low-income housing by providing affordable housing developers with sufficient equity to finance construction, and by decreasing the funding uncertainty inherent in the current tax syndication system. To this end, this bill establishes a program for granting low-income housing tax credit loans administered by the Hawaii Housing Finance and Development Corporation (HHFDC), in lieu of low-income housing tax credits, and authorizes the issuance of general obligation bonds to fund the low-income housing tax credit loans.

HHFDC, the City and County of Honolulu Department of Community Services; Office of Affordable Housing for the Diocese of Honolulu; Catholic Charities Hawaii; Hawaii Association of REALTORS; Land Use Research Foundation of Hawaii; Stanford Carr Development, LLC; Albert C. Kobayashi, Inc.; and a concerned individual submitted testimony in support of this bill. The Tax Foundation of Hawaii, Department of Budget and Finance, and Department of Taxation offered comments on this measure.

While your Committee appreciates the tax credit incentive contained in this bill to address homelessness and affordable housing in the State, your Committee prefers H.B. No. 1013, relating to low-income housing tax credits, and H.B. No. 1508, relating to low-income housing, as the preferred means to grant low-income housing tax credit loans and authorize the issuance of general obligation bonds to fund the loans.

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. 960 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, Chong, Herkes, Morita and Nakashima.

**SCRep. 592            Housing on H.B. No. 1586**

The purpose of this bill is to provide an Ohana Housing Tax Credit that would authorize a resident individual taxpayer to claim an income tax credit for a percentage of the total construction cost of any residential addition or expansion built solely to house eligible family members.

The Roman Catholic Church in the State of Hawaii and several concerned individuals testified in support of this bill. The Department of Taxation submitted comments.

Upon consideration, your Committee has amended this bill by:

- (1) Eliminating the requirement that a claim for the Ohana Housing Tax Credit be applicable to residential additions or expansions built solely to house eligible family members;
- (2) Repealing the "eligible family members" definition;
- (3) Making a claim for the Ohana Housing Tax Credit contingent on the total construction cost of any residential addition or expansion built to house individuals who reside in an emergency or transitional shelter, or who are on a waiting for such shelter or public housing; 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. 1586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1586, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 593            Housing on H.B. No. 70**

The purpose of this bill is to establish a return-to-home program within the Department of Human Services, to provide eligible homeless individuals with assistance in being reunited with family and relatives in the individual's home state.

A concerned individual testified in support of this bill. The Department of Human Services submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 70, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 594            Housing on H.B. No. 1489**

The purpose of this bill is to address the disproportionate number of native Hawaiians who are homeless by requiring the Department of Hawaiian Home Lands (DHHL) to develop and implement a pilot program to establish a kanaka village for homeless native Hawaiians.

The Kānaka Council Moku ō Keawe and Sovereign Councils of the Hawaiian Homelands Assembly testified in support of this bill. DHHL, the Hawaii Public Housing Authority (HPHA), and a concerned individual submitted comments.

It is your Committee's belief that the Office of Hawaiian Affairs (OHA) has the fiscal wherewithal and initiative to establish the pilot program to assist homeless native Hawaiians.

Your Committee has amended this bill by:

- (1) Making OHA, instead of DHHL, as the agency that is designated to establish the kanaka villages;

- (2) Expanding the scope of the pilot program to include the establishment of kanaka villages in areas in the State, rather than on a particular island;
- (3) Having OHA as the lead agency to work collaboratively and in consultation with DHHL and HPHA to develop and implement the pilot program;
- (4) Changing the effective date to upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the 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. 1489, 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. 1489, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Har, Ito, Pine and Thielen.

**SCRep. 595            Housing on H.B. No. 1247**

The purpose of this bill is to update the process regarding the selection process for boards of directors of planned community associations, by:

- (1) Including a term limit in which a board of director member of a planned community association may serve; and
- (2) Specifying guidelines for the mailing of proxies and proxy.

A concerned individual testified in support of this bill. Mililani Town Association, Villages of Kapolei Association, and several concerned individuals testified in opposition to this measure. Kohala Ranch Property Owners submitted comments.

Your Committee has amended this bill by:

- (1) Increasing the number of terms that a board director of a planned community association may serve from two consecutive terms to four consecutive terms;
- (2) Eliminating the requirement whereby planned community association boards must mail proxy forms to owners by by *[sic]* certified mail with a postage-paid self-addressed envelope;
- (3) Requiring that on the proxy form, there shall be an additional option in which all proxy votes shall go into a pool in which the votes are to be divided equally among the candidates present at the meeting; 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. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1247, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 596            Housing on H.B. No. 1306**

The purpose of this bill is to:

- (1) Require that every claim for a general excise tax exemption and exemption from taxes on income and obligations for affordable housing projects must be reviewed by the Hawaii Housing Finance and Development Corporation (HHFDC) and the Department of Taxation (DOTAX) before initial or renewal certification;
- (2) Authorize an audit of such exemptions by the Auditor as directed by the Legislature;
- (3) Require HHFDC to maintain records of qualifications for affordable housing project tax exemptions which shall be public records, available on request; and
- (4) Require DOTAX to maintain an annual and cumulative record of all of these tax exemptions and submit an annual report to the Legislature.

A concerned individual supported this bill. An individual opposed this bill. The HHFDC, Hawaii Association of REALTORS®, and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Requiring that certification for tax exemptions for affordable housing projects be renewed every four years;

- (2) Deleting the provision that certain exemptions from tax on income and obligations are subject to the requirements for general excise tax exemptions, such as four-year certifications and audits;
- (3) Deleting the record maintenance requirement;
- (4) Requiring all fees collected by the HHFDC in connection with affordable housing projects be deposited into the Rental Housing Trust Fund;
- (5) Removing proprietary information from public record access;
- (6) Requiring that all funds collected from claims that do not meet the requirements for an exemption be deposited into the Rental Housing Trust Fund;
- (7) Repealing the provision in the statutes, relating to county powers and housing, granting county housing projects a general excise tax exemption; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 597          Housing on H.B. No. 601**

The purpose of this bill is to:

- (1) Conform state law regarding dog licensing with the Americans With Disabilities Act (ADA);
- (2) Conform state law relating to public places and public conveyances to ADA; and
- (3) Amend the definition of "service animal" and add a definition for "comfort animal" in state law relating to Fair Housing Act requirements for non-discrimination in real property transaction the sale and rental of housing.

The Disability and Communication Access Board, Hawaii Fi-Do Service and Therapy Dogs, and several concerned individuals supported this bill. Two concerned individuals supported the intent of this measure. Hawaii First and a concerned individual opposed this bill. The Hawaii Civil Rights Commission and a concerned individual offered comments.

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

- (1) Repealing provisions whereby a dog approved by the Director of Finance to be a service dog will be so designated on the license;
- (2) Repealing the definition of "service dog" under section 143-4, Hawaii Revised Statutes (HRS), relating to the issuance of license and tags, and under section 347-13, HRS, relating to the blind, partially blind, physically handicapped with respect to public places and public conveyances;
- (3) Deleting the definition of "comfort animal" and eliminating references to "comfort animal" throughout the bill;
- (4) Requiring the Director of Finance to adopt rules for the licensure of service dogs, rather than specifying guide and signal dogs;
- (5) Changing terms relating to persons who are blind, deaf, visually impaired, physically handicapped and disabled to "persons with disabilities";
- (6) Changing terms relating to handicapped or physically handicapped person to "person with a physical disability";
- (7) Limiting who can be accompanied by a service dog, to a person with a physical disability;
- (8) Limiting the liability for damage to premises or facilities by a service dog, to a person with a physical disability; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 601, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 598      Housing/Water, Land, & Ocean Resources on H.B. No. 309**

The purpose of this bill is to increase the availability of affordable rental housing units by exempting high-rise multifamily projects in the urban core of Honolulu from height restrictions; provided that 20 percent of the units on each floor above the third floor are affordable rental housing units.

The General Contractors Association of Hawaii, Hawaii Housing Alliance, and Group Builders, Inc. submitted testimony in support of this bill. The Outdoor Circle and Historic Hawaii Foundation testified in opposition to this measure.

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. 309, H.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 Carroll, Chong and Morita.  
(Representative Thielen voted no.)

**SCRep. 599      Housing/Labor & Public Employment on H.B. No. 1450**

The purpose of this bill is to require the Department of Human Services (DHS) to develop and implement a homeless job training program to provide education, various training programs, and support services to boost opportunities for long-term employment for homeless participants.

Additionally, this measure:

- (1) Requires wages to be held in trust for the participant to be used for the participant's first and last months' rent; and
- (2) Appropriates funds for the training program.

The Diocese of Honolulu and a concerned individual testified in support of this bill. DHS supported the intent of this measure.

Your Committees recognize the training and labor component in this bill, and as such, believe that the lead agency should be the Department of Labor and Industrial Relations (DLIR). However, your Committees believe that the homeless job training program involves both DLIR and DHS, and therefore, encourages these two agencies to work collaboratively to develop and implement the program effectively. Your Committees encourage DLIR to seek and obtain federal funds for the homeless job training program, with the intent that the federal funds be matched by state funds.

Accordingly, your Committees have amended this bill by:

- (1) Requiring DLIR to seek federal funds that are intended for the homeless or other funds that may be available in accordance with the homeless job training program; and
- (2) Changing the lead agency and expending agency from DHS to DLIR.

As affirmed by the records of votes of the members of your Committees on Housing and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1450, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1450, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 600      Finance on S.B. No. 1286**

The purpose of this bill is to make emergency appropriations for fiscal year 2010-2011 to the following agencies:

- (1) The Office of the Governor and Office of the Lieutenant Governor to provide full-year staffing;
- (2) The Department of Business, Economic Development, and Tourism to provide funds and positions for the deputy director and deputy director's secretary;
- (3) The Department of Defense for the deputy adjutant general and deputy adjutant general's secretary; and
- (4) The Department of Labor and Industrial Relations for the deputy director's secretary.

The Office of the Governor, Office of the Lieutenant Governor, Department of Labor and Industrial Relations, and Department of Business, Economic Development, and Tourism testified in support of this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 99, requested immediate consideration and passage of this bill by 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 is in accord with the intent and purpose of S.B. No. 1286, 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 Chong and Riviere.

**SCRep. 601 Finance on H.B. No. 838**

The purpose of this bill is to make an emergency appropriation of \$732,430 for fiscal year 2010-2011, to support the functions of the Office of Elections, the Elections Commission, and the Reapportionment Commission with regard to reapportionment.

The Office of Elections testified in support of this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 103, requested immediate consideration and passage of this bill by the Legislature.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 838, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 838, H.D. 2.

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

**SCRep. 602 Finance on H.B. No. 1015**

The purpose of this bill is to make an emergency appropriation for fiscal year 2010-2011 from the Brownfields Cleanup Revolving Loan Fund to complete the disbursement of funds to the Department of Hawaiian Home Lands to clean up a contaminated site in Kapolei.

The Department of Hawaiian Home Lands and Office of Planning testified in support of this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 97, requested immediate consideration and passage of this bill by 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 is in accord with the intent and purpose of H.B. No. 1015, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 603 Energy & Environmental Protection/Water, Land, & Ocean Resources on H.B. No. 266**

The purpose of this bill is to provide the Department of Health (DOH) with additional time to revise and update certain state water quality standards for marine waters to conform to levels recommended by the State of Hawaii and the United States Environmental Protection Agency (EPA).

DOH and the Department of Environmental Services of the City and County of Honolulu testified in support of this bill. The Sierra Club-Hawaii Chapter opposed this measure.

Conforming the State's water quality standards for toxic pollutants to the national criteria currently recommended by the EPA is important to the State's economic and social development, as well as protection of our natural resources and our inland and marine waters. Act 126, Session Laws of Hawaii 2009 (Act 126), was an aggressive attempt to address this issue and encourage the timely application of those standards. When Act 126 was enacted, it was envisioned that revised water quality standards would be completed and approved by 2011. However, this is not the case. Although DOH has been working on the revised water quality standards in a three-phased approach, delays have occurred. While the first set of revisions was approved by the EPA, the second set of revisions has been pending with the EPA since February 16, 2010, and the third set of revisions has not yet gone through DOH's rulemaking procedures. Furthermore, according to DOH, the second set of revisions was orally rejected by the EPA which cited concerns that Hawaii's fish consumption rate was higher than the national average used to calculate the human health criteria for toxic pollutants and that Hawaii's adoption of the national criteria would not sufficiently protect the local population within acceptable tolerance levels. As such, DOH needs additional time to complete a fish consumption survey, perform statistical analysis on the data collected, recalculate the toxic pollutant criteria based upon the fish consumption data, and present the data to the EPA. This measure provides DOH with that additional time.

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. 266 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, Herkes and Ito.  
(Representative and Thielen voted no.)

**SCRep. 604 Judiciary on H.B. No. 299**

The purpose of this bill is to expedite the finality of judgments on appeal by shortening the time period to file an application for a writ of certiorari with the Hawaii Supreme Court from 90 days to 30, with an extension of up to an additional 30 days upon request.

The Judiciary supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2012; and

- (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. 299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 299, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 605            Judiciary on H.B. No. 640**

The purpose of this bill is to require any action taken by a board in an executive meeting closed to the public to be reported to the public when the board reconvenes at an open meeting in accordance with the Sunshine Law.

The League of Women Voters of Hawaii, Americans for Democratic Action Hawaii, and a concerned individual testified in support of this measure. The Office of the Mayor of the City and County of Honolulu offered comments.

Your Committee notes there are concerns about the phrase "any action" and its potential impact on boards making use of executive meetings. The bill does not define "action", nor is it defined elsewhere in the Hawaii Revised Statutes. Your Committee heard the testimony of the Office of Information Practices, who would be responsible for administering this bill, stating that an action is currently understood to be an act taken by a board and not the vote by itself.

Therefore, a board would not be required to report the following if they occurred in an executive meeting: receiving advice, discussing whether to terminate an officer or employee, or a failed vote. However, if during an executive meeting a vote was taken or a decision was made that caused the board to act, the board would be required to report this act when an open meeting was convened. Your Committee finds this measure warrants further consideration and discussion.

Your Committee has amended this bill by changing its effective date to January 7, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 640, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 606            Judiciary on H.B. No. 109**

The purpose of this bill to allow more circumstances under which public officials are permitted to gather. Among other things, this measure allows two or more members of a board to attend public gatherings if:

- (1) That number is less than the number required for quorum;
- (2) In the case of public gatherings or community events, the event is not related to matters currently under official deliberation or pending action, and attendance was disclosed to the board prior to the event; and
- (3) In the case of professional association conferences and professional development activities, the board member posts a publicly accessible report of activities conducted.

Several councilmembers of the Maui County Council and concerned individuals testified in support of this measure. The Office of Information Practices (OIP) and League of Women Voters of Hawaii offered comments.

Your Committee notes the concerns about this bill's relevance, including comments from OIP. Nonetheless, your Committee finds the neighborhood board system is an informative and appropriate guide to achieve the appropriate balance between the need for public officials to interact with the constituency and transparent decision making. Neighborhood board members are permitted to attend qualifying information meetings or presentation that are not specifically and exclusively organized for or around the board members. With the following amendments, your Committee finds this measure merits further consideration.

Your Committee has amended this measure by:

- (1) Allowing attendance at a public gathering or community event that does not relate to official board business over which the board is exercising adjudicatory, advisory, or legislative powers, and is not organized for the members of the board;
- (2) Changing its effective date to January 7, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 109, H.D. 1, and be placed on the calendar for Third Reading.

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



**SCRep. 607 Education on H.R. No. 29**

The purpose of this resolution is to ensure the efficient, effective, and fiscally responsible administration of the Department of Education (DOE) by requesting the Auditor to conduct a financial and management audit of DOE that focuses on the departmental level.

The Hawaii Disability Rights Center supported this resolution. DOE 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 concurs with the intent and purpose of H.R. No. 29 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 608 Education on H.C.R. No. 34**

The purpose of this concurrent resolution is to ensure the efficient, effective, and fiscally responsible administration of the Department of Education (DOE) by requesting the Auditor to conduct a financial and management audit of DOE that focuses on the departmental level.

The Hawaii Disability Rights Center supported this concurrent resolution. DOE 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 concurs with the intent and purpose of H.C.R. No. 34 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 609 Tourism on H.R. No. 10**

The purpose of this resolution is to maintain the financial integrity of the counties by preserving the counties' share of the transient accommodations tax (TAT). Maintaining the current allocation of the TAT would allow the counties to continue providing essential government services to visitors and residents. The county share of the TAT also provides more stability to county finances and enables improved budgeting and planning. However, losing the current allocation of the TAT would require counties to significantly raise property taxes.

The Hawaii State Association of Counties, the Mayor of the City and County of Honolulu, the Council Chair of the County of Maui, and a councilmember of the County of Maui supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism 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 Representative Ching.

**SCRep. 610 Tourism on H.C.R. No. 8**

The purpose of this concurrent resolution is to maintain the financial integrity of the counties by preserving the counties' share of the transient accommodations tax (TAT). Maintaining the current allocation of the TAT would allow the counties to continue providing essential government services to visitors and residents. The county share of the TAT also provides more stability to county finances and enables improved budgeting and planning. However, losing the current allocation of the TAT would require counties to significantly raise property taxes.

The Hawaii State Association of Counties, the Mayor of the City and County of Honolulu, the Council Chair of the County of Maui, and a councilmember of the County of Maui supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism 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 Representative Ching.

**SCRep. 611 Human Services on H.B. No. 1565**

The purpose of this bill is to reduce the number of members on the State Rehabilitation Council (SRC) from 21 to 15.

The Department of Human Services (DHS) supported this bill.

The SRC is a mandated council under the federal Rehabilitation Act, and the federal minimum of required positions on the SRC is 15. According to DHS, the SRC has had difficulty in reaching quorum with the current State required minimum of 21 members and it is the belief of SRC that there would be a greater chance of achieving quorum with the manageable federal minimum of 15 members.

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. 1565 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 and Pine.

**SCRep. 612 Consumer Protection & Commerce on H.B. No. 1543**

The purpose of this bill is to allow for licensed distributors to have the same rights and protections provided to licensed dealers by part II of Chapter 437, Hawaii Revised Statutes, the Motor Vehicle Industry Licensing Act.

The Department of Commerce and Consumer Affairs, Alliance of Automobile Manufacturers, the Hawaii Automobile Dealers Association, and the Motor Vehicle Industry Licensing Board testified in support 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. 1543 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 Ching.

**SCRep. 613 Consumer Protection & Commerce/Judiciary on H.B. No. 1130**

The purpose of this bill is to make permanent the requirement that condominium associations, planned community associations, and cooperative housing corporations establish an access policy for civil process servers.

The Hawaii Council of Associations of Apartment Owners, the law firm of Bendet Fidell, the Hawaii State Bar Association, and a concerned individual supported this measure.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1130 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 614 Judiciary on H.B. No. 240**

The purpose of this bill is to combat prostitution by including witnesses in cases involving promoting prostitution in those afforded the highest priority to receive government security and protection.

The City and County of Honolulu Department of the Prosecuting Attorney, EAH, Carmel Partners, The Pacific Alliance to Stop Slavery, and Downtown Neighborhood Board No. 13 testified in support of this measure. The National Association of Reformed Criminals 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. 240 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 615 Judiciary on H.B. No. 1376**

The purpose of this bill is to make the news media privilege created by Act 210, Session Laws of Hawaii 2008, permanent by repealing the June 30, 2011, sunset provision currently in place.

The American Civil Liberties Union of Hawaii, Society of Profession Journalists-Hawaii Chapter, Big Island Press Club, Common Cause Hawaii, and several concerned individuals testified in support of this measure. The Judiciary offered comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1376 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 Ito.

**SCRep. 616 Water, Land, & Ocean Resources on H.B. No. 680**

The purpose of this bill is to allow for a broader range of public input into the future of the Kakaako Makai area of Honolulu by repealing the requirement that the Hawaii Community Development Authority (HCDA) consider recommendations by the Kakaako Makai Community Planning Advisory Council (CPAC).

The Land Use Research Foundation of Hawaii, Kobayashi Development Group LLC, and numerous concerned individuals supported this bill. HCDA supported the intent of this measure. The Office of Hawaiian Affairs, the Executive Committee for CPAC, The Outdoor Circle, the Sierra Club Oahu Group, Hawaii's Thousand Friends, Friends of Kewalos, and numerous concerned individuals opposed this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 680 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, Chong, Morita, Nakashima and Thielen.

**SCRep. 617            Culture & the Arts/Hawaiian Affairs on H.B. No. 1637**

The purpose of this bill is to designate the 'ōhi'a lehua tree (*Metrosideros polymorpha*) as the official tree of the State.

Several concerned individuals supported this bill. A concerned individual opposed this measure. The Department of Land and Natural Resources offered comments.

After careful consideration, your Committees have amended this bill by designating the kukui tree (*Aleurites Moluccana*) as the official state heritage tree and the 'ōhi'a lehua tree as the official state native tree.

As affirmed by the records of votes of the members of your Committees on Culture & the Arts and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1637, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1637, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 618            Public Safety & Military Affairs on H.B. No. 1087**

The purpose of this bill is to update the composition of the panel that nominates the members of the Hawaii paroling authority by removing the Hawaii Criminal Justice Association, which is no longer in existence.

The Department of Public Safety and Hawaii Paroling Authority supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1087, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 619            Consumer Protection & Commerce on H.B. No. 319**

The purpose of this bill is to clarify the exemption for owner-builders with building permits who are unable to complete construction within one year.

The current owner-builder permitting provisions assume that if an owner-builder sells the home not more than one year after completion of the project, the owner-builder exemption cannot apply, the presumption being that the work was for the purpose of the sale and not just a home improvement. However, last year the Legislature amended the law allowing those who faced an unforeseen hardship to retain their owner-builder exemption if the Contractors License Board agreed that the circumstances warranted it. Unfortunately, this did not apply to homeowners who were financially unable to even complete the permitted job and were forced to sell their homes with incomplete work. The Board interpreted the amendment made last year as providing a safety net only for those who were able to finish the job and then sold within a year of completion. This bill will correct that situation and provide those who are unable to even finish the work because of financial hardship to also keep their owner-builder exemption.

The Hawaii Association of REALTORS® supported the intent of this measure. The Contractors License Board and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1)        Requiring an owner-builder asking for an unforeseen hardship exemption to submit an application describing the unforeseen hardship and including supporting documentation detailing the hardship such as tax returns, medical records, mortgage default letter, or bankruptcy filings; and
- (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. 319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 319, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey, Morita and B. Oshiro.

**SCRep. 620            Consumer Protection & Commerce on H.B. No. 316**

The purpose of this bill is to exempt insurance producers from specified recordkeeping requirements for motor vehicle and homeowners' insurance contracts when these records are customarily maintained in the insurer's offices.

State Farm Insurance Companies supported this measure. The Department of Commerce and Consumer Affairs opposed this measure.

Based on agreement on compromise language by the stakeholders, your Committee amended this bill by adding an exemption for records maintained electronically and which are accessible by the producer and available within one business day.

As 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. 316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 316, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 621            Judiciary on H.B. No. 716**

The purpose of this bill is to revise various election deadlines in conformity with state law, which changed the date of the State's primary election in accordance with federal law. Specifically, this measure revises election deadlines to ensure that absentee ballots are mailed out to uniformed and overseas voters no later than 45 days prior to elections for federal office as required by federal law.

The Office of Elections and League of Women Voters of Hawaii testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 7, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 716, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 622            Judiciary on H.B. No. 44**

The purpose of this bill is to protect the safety and well being of children by creating a specific offense for a person who offers or agrees to pay a fee to another person to engage in sexual conduct within 750 feet of schools and public parks.

The Downtown Neighborhood Board No. 13, Carmel Partners, EAH, Kukui Kauhale, Inc., and several concerned individuals testified in support of this measure. The Office of the Public Defender, American Civil Liberties Union of Hawaii, The Libertarian Party of Hawaii, and National Association of Reformed Criminals opposed this bill. The Department of Education offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 7, 2059, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 44, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 44, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 623            Judiciary on H.B. No. 354**

The purpose of this bill is to simplify and streamline the procedures for resolving disputes in the small claims division of the tax appeal court.

A concerned individual testified in support of this measure. The City and County of Honolulu Department of Budget and Fiscal Services opposed this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by changing its effective date to January 7, 2059, 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. 354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 354, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 624            Judiciary on H.B. No. 468**

The purpose of this bill is to ensure the impartiality and independence of county ethics commissioners by requiring the counties to adopt a charter amendment for the creation of an independent body to select members of the county ethics commission.

The League of Women Voters of Hawaii, Americans for Democratic Action-Hawaii, and several concerned individuals supported this bill. The Ethics Commission of the City and County of Honolulu and the Mayor of the City and County of Honolulu provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions requiring that the counties adopt a charter amendment for the creation of an independent body to select members of the county ethics commission;
- (2) Requiring the counties to adopt a charter amendment for a selection process for the county ethics commission that provides that the judicial council select three nominees for each vacant seat from which the mayor of each county will appoint new members without confirmation by the county council;
- (3) Changing its effective date to January 7, 2059, 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. 468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 468, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 625            Judiciary on H.B. No. 141**

The purpose of this bill is to retroactively require that multiple terms of imprisonment be served concurrently unless otherwise specified by law or court order.

The Office of the Public Defender, the Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, National Association of Reformed Criminals, and several concerned citizens testified in support of this measure. The Office of Hawaiian Affairs supported this bill with amendments. A concerned individual supported the intent of this measure. The Department of the Attorney General and City and County of Honolulu Department of the Prosecuting Attorney opposed this measure.

Your Committee has amended this bill by:

- (1) Adding language to shield the State from any liability for sentencing errors;
- (2) Changing its effective date to January 7, 2059, to promote further discussion; and
- (3) Making nonsubstantive, technical 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. 141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 141, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Ito.

**SCRep. 626            Judiciary on H.B. No. 108**

The purpose of this bill is to prevent individuals from participating in dogfighting by creating more comprehensive penalties, including:

- (1) Establishing the offenses of cruelty to animals by fighting dogs in the first and second degree, which penalizes direct participation in holding dogfights or owning, training, and breeding dogs for such purposes as a Class B felony, and punishes spectators and indirect participation as a Class C felony; and
- (2) Adds cruelty to animals by fighting dogs to those offenses for which a duly incorporated humane society may impound or force forfeiture of a dog.

The City and County of Honolulu Department of the Prosecuting Attorney, Hawaiian Humane Society, The Humane Society of the United States, Oahu Society for the Prevention of Cruelty to Animals, Animal Rights Hawaii, a board member of Maui Society for the Prevention of Cruelty to Animals, the President of West Hawaii Human Society, and large numbers of concerned individuals testified in support of this measure. The Office of the Public Defender opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting references to attending dogfights;
- (2) Defining and including the term "bait dog" in cruelty to animals by fighting dogs in the second degree;
- (3) Deleting dog breeding from prohibited activities;
- (4) Adding a severability clause;

- (5) Changing the effective date to January 7, 2059, to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 108, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 627            Judiciary on H.B. No. 1112**

The purpose of this bill is to authorize the issuance of a temporary license for the solemnization of a marriage to an individual if the individual has the prior written consent of the couple or couples whose marriage or marriages will be solemnized.

The American Civil Liberties Union of Hawaii testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that a person with a temporary license to solemnize marriages must keep a statutorily required record of all solemnizations performed and report those solemnizations to the Department of Health;
- (2) Applying the same temporary licensing procedures to solemnizing civil unions, with similar reporting and record keeping requirements after the solemnization; and
- (3) Changing the effective date to January 7, 2059, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1112, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 628            Judiciary on H.B. No. 242**

The purpose of this bill is to discourage individuals from engaging in illicit sexual activity by increasing the degree of the offense of habitual solicitation of prostitution to a class C felony.

The City and County of Honolulu Department of the Prosecuting Attorney, the Pacific Alliance to Stop Slavery, the Downtown Neighborhood Board No. 13, EAH Housing, Carmel Partners, and Kukui Kauhale, Inc. testified in support of this measure. The Office of the Public Defender, the American Civil Liberties Union of Hawaii, the Libertarian Party of Hawaii, and the National Association of Reformed Criminals and a concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Including those persons who pay, agree to pay, or offer to pay a fee to another person in the offense of prostitution and street solicitation of prostitution in designated areas;
- (2) Amending the offense of habitual solicitation to penalize those who pay, agree to pay, or offer to pay a fee;
- (3) Changing the effective date to January 7, 2059, to promote 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. 242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 242, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 629            Judiciary on H.B. No. 439**

The purpose of this bill is to expand evidentiary presumptions to include publications and legal opinions posted on government websites.

The Judiciary commented on this measure.

Your Committee has amended this bill by changing its effective date to July 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. 439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 439, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 630            Judiciary on H.B. No. 1007**

The purpose of this bill is to better protect children from the dangers created by the Internet and modern technology by expanding promoting pornography for minors to include disseminating materials to a person known to be under the age of 18 or representing themselves to be under the age of 18. In addition, this measure adds promoting child abuse in the third degree to those offenses for which criminal charges may be instituted by written information.

The Department of the Attorney General, the Sex Abuse Treatment Center, and several concerned individuals testified in support of this measure. The American Civil Liberties Union of Hawaii and Media Coalition opposed this bill.

Your Committee has amended this measure by:

- (1) Changing the age protected by this bill to be under the age of 16 in conformity with the Hawaii Penal Code offenses relating to obscenity;
- (2) Changing the effective date to January 7, 2059, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1007, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 631            Judiciary on H.B. No. 241**

The purpose of this bill is to combat prostitution and the accompanying criminal activity by increasing the grade of offense for all three degrees of the offense of promoting prostitution.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Downtown Neighborhood Board No. 13, EAH Housing, Carmel Partners, and Kukui Kauhale, Inc., testified in support of this bill. The Pacific Alliance to Stop Slavery supported the intent of this measure. The American Civil Liberties Union of Hawaii, The Libertarian Party of Hawaii, and National Association of Reformed Criminals opposed this bill. The Office of the Public Defender offered comments.

Your Committee has amended this measure by:

- (1) Restoring the offense of promoting prostitution in the third degree to its current misdemeanor status; and
- (2) Changing the effective date to January 7, 2059, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 241, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 632            Judiciary on H.B. No. 1221**

The purpose of this bill is to continue to prohibit the consumption of alcohol by minors while limiting the liability of licensees who sell, serve, or furnish alcoholic beverages at large public facilities by stipulating that the consumption of liquor by a minor shall not be deemed to be a violation if a licensee who serves alcohol in a large public facility receives the appropriate county liquor commission's approval of the licensee's security plans for preventing minors from consuming alcohol on the licensed premises, and the licensee implements that plan in good faith.

Centerplate, Anheuser-Busch Sales of Hawaii, Paradise Beverages, Inc., and Better Brands testified in support of this bill. The City and County of Honolulu Liquor Commission testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Inserting a definition of "large public facility" to mean any publicly or privately owned property open for public use or to which the public is invited for entertainment or business purposes with an unspecified capacity;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1221, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 633            Judiciary on H.B. No. 381**

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes (HRS) to correct errors and references, clarify language, and delete unnecessary provisions.

The Legislative Reference Bureau testified in support of this measure.

Your Committee has amended this bill by adding to the prefatory language of section 2 of this bill to clarify that only the title of Chapter 89A, HRS, should be amended.

As affirmed by the record of votes of 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. 381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 381, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 634            Judiciary on H.B. No. 1244**

The purpose of this bill is to shield religious organizations and charitable organizations operated, supervised, or controlled by a religious institution or organization from criminal or civil liability for performing solemnizations of same-sex relationships, and from civil liability for refusing to provide services or accommodation related to the solemnization of same-sex unions.

Life of the Land, Hawaii Family Forum, Christian Counseling and Research Centers of America, and numerous individuals testified in support of this bill. The Democratic Party of Hawaii and several individuals supported the intent of this measure. The Hawaii Civil Rights Commission; Parents, Families and Friends of Lesbians, Gays, Transgendered, Bisexuals, Transgendered & Questioning – Oahu; the Women's Coalition; and many individuals opposed this bill. Numerous individuals offered comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the section of the bill which was repealed by Act 1, Session Laws of Hawaii 2011;
- (2) Amending the circumstances where refusal to provide services related to the solemnization of same-sex relationships will not subject a religious institution or organization to civil liability to instances where a religious institution or organization refuses to provide services based on the religious institution or organization if the solemnization violates its religious beliefs or faith; 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. 1244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1244, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 635            Judiciary on H.B. No. 618**

The purpose of this bill is to better protect Hawaii's citizens from new threats arising from the advance of modern technology and the Internet by:

- (1) Creating the offense of aggravated online harassment and online harassment;
- (2) Expanding the unauthorized transfer of personal information prohibited by harassment by impersonation to include domain addresses; and
- (3) Increasing harassment by impersonation to a class C felony if done with the intent to solicit a response by emergency personnel.

The Family Court Interventions Task Force and several individuals testified in support of this measure. The Office of the Public Defender opposed this measure.

Your Committee has amended this measure by:

- (1) Renaming the two offenses of online harassment as aggravated harassment by online impersonation and harassment by online impersonation;



- (2) Clarifying that the harm addressed by harassment by online impersonation means a loss, disadvantage, or injury, or anything so regarded by the person affected, including a loss, disadvantage, or injury to any other person or entity in whose welfare the person affected is interested;
- (3) Changing the effective date to January 7, 2059, to promote 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. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 618, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 636            Judiciary on H.B. No. 1155**

The purpose of this bill is to update the list of crimes that warrant mandatory minimum sentences under the Hawaii Repeat Offender Law by:

- (1) Specifying the class A and B felonies and deleting certain class C felonies; and
- (2) Adding the crime of attempting to commit any of the specified felonies;

that trigger mandatory minimum sentencing.

The Office of the Public Defender, American Civil Liberties Union, and National Association of Reformed Criminals testified in support of this measure. 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 has amended this bill by:

- (1) Adding new class A and B felonies that warrant mandatory minimum sentences;
- (2) Reinstating certain deleted class C felonies (except section 708-831 relating to theft in the first and second degree, and section 708-836 relating to unauthorized control of propelled vehicle) and adding new class C felonies that warrant mandatory minimum sentences;
- (3) Changing the effective date to January 7, 2059, to promote 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. 1155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1155, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 637            Judiciary on H.B. No. 922**

The purpose of this bill is to help address the unique challenges of the 999-year leases of the homestead program by including trustees of land trusts created for the purposes of managing and holding a homestead for the benefit of the lessee and lessee's family members.

Several concerned individuals supported this bill. The Office of Hawaiian Affairs supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 922 and recommends that it pass Third Reading.

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

**SCRep. 638            Agriculture on H.B. No. 122**

The purpose of this bill is to encourage the development of renewable energy facilities in Hawaii by extending to July 1, 2020, the exemption for renewable energy projects from subdivision requirements on state agricultural or conservation lands.

The Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, Land Use Research Foundation of Hawaii, Castle & Cooke Hawaii, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 122, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Brower, Choy, Nishimoto, Tokioka and Riviere.

**SCRep. 639            Judiciary on H.B. No. 546**

The purpose of this bill is to clarify existing law with regard to sex discrimination by expressly providing that employment discrimination based upon gender identity or gender expression constitutes a form of sex discrimination.

The Hawaii Civil Rights Commission (HCRC), American Civil Liberties Union of Hawaii, Democratic Party of Hawaii, Americans for Democratic Action-Hawaii, Honolulu Pride, Pride at Work Hawaii, University of Hawaii Professional Assembly, Human Rights Campaign, Hawaii Government Employees Association, Japanese American Citizens League, Equality Hawaii, ILWU Local 142, PFLAG Kauai, Da Moms, Hawaii State AFL-CIO, a member of the Board of Education, and numerous concerned individuals testified in support of this measure. Numerous concerned individuals opposed this bill.

Your Committee finds that individuals can be faced with discrimination in employment and employment opportunities due to non-traditional identifications or expressions of gender. Your Committee also finds that this measure is consistent with the HCRC's position that discrimination based on gender identity or gender expression is a form of sex discrimination under existing law. Accordingly, by clarifying state law prohibiting employment discrimination to explicitly include gender identity or gender expression, the measure will better inform employers and employees of their respective obligations and protections.

As affirmed by the record of votes of 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. 546 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 640            Judiciary on H.B. No. 968**

The purpose of this bill is to amend the domestic abuse protective order by:

- (1) Allowing a temporary restraining order to remain in effect for 180 days from the date the order is granted or until the effective date of a protective order that is issued by the court, whichever occurs first; and
- (2) Making protective orders orally stated by the court on the record effective on the date of the hearing if the respondent attends the hearing or, if the respondent was served but failed to appear, upon service of the protective order upon the respondent.

The City and County of Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this bill. The Office of the Public Defender opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 968, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 641            Public Safety & Military Affairs on H.B. No. 1067**

The purpose of this bill is to ensure that youth committed to the Hawaii Youth Correctional Facility will not be transferred to adult correctional facilities where they could be exposed to serious adult offenders and subjected to possible physical, mental, and sexual assault by repealing the authorization of the Office of Youth Services' Executive Director, with approval of the Family Court, to transfer youth, who are at least 16 years of age, to an adult correctional facility for disciplinary or other reasons.

The Department of Human Services, Department of Public Safety, Office of Youth Services, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and the National Association of Reformed Criminals testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1067, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1067, H.D. 1.

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

**SCRep. 642            Consumer Protection & Commerce on H.B. No. 1053**

The purpose of this bill is to promote public health and safety by requiring dental hygienists to pass the National Dental Hygiene Examination for licensure as a dental hygienist in Hawaii.

The Board of Dental Examiners, the Hawaii Dental Hygienists' Association, and the American Dental Hygienists' Association of Hawaii supported this measure.

Your Committee amended this bill by making a technical, nonsubstantive amendment for conformity.

As 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. 1053, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1053, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, Luke, Morita and Ching.

**SCRep. 643 Consumer Protection & Commerce on H.B. No. 1520**

The purpose of this bill is to support the State's overall clean energy objectives by:

- (1) Exempting owners and operators of renewable energy generating facilities located on property owned by another person from regulation as a public utility when electricity generated by those facilities is supplied to that property owner or an electric utility; and
- (2) Requiring the Public Utilities Commission (PUC) to monitor the impact of net energy metering on existing electric utility ratepayers.

SunRun, Inc. and The Solar Alliance supported this measure. The PUC provided comments.

Your Committee amended this bill by:

- (1) Making technical nonsubstantive amendments to, among other things, clarify the PUC's duty in monitoring net energy metering; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1520, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1520, H.D. 2.

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

**SCRep. 644 Consumer Protection & Commerce on H.B. No. 1517**

The purpose of this bill is to expand the duties of the Public Utilities Commission (PUC) to include:

- (1) Considering energy efficiency to reduce reliance on fossil fuels; and
- (2) Considering the impacts of reliance on fossil fuel, including price and supply volatility, increased costs, and greenhouse emissions of imported fuels, when determining the reasonableness of utility capital improvement and operation costs.

The measure will also allow the PUC to consider higher costs of alternative energy sources as reasonable when compared to the consequences of the use of fossil fuels.

The Blue Planet Foundation and the Sierra Club-Hawaii Chapter supported this measure. The Western States Petroleum Association opposed the bill. The PUC offered comments.

Your Committee has changed the effective date of this bill to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1517, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1517, H.D. 1.

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

**SCRep. 645 Consumer Protection & Commerce/Judiciary on H.B. No. 904**

The purpose of this bill is to prohibit the sale, offer for sale, advertisement, or distribution of any caffeinated beer beverage unless labeled as an "intoxicating liquor" with a warning about potentially harmful effects.

The Distilled Spirits Council of the United States supported the intent of this bill.

Your Committees amended this measure by deleting language relating to the exclusion of various alcoholic beverages that contain caffeine naturally. Your Committees find that the definition of "caffeinated beer beverage" will exclude such beverages. In addition, extracts derived from foods with naturally occurring caffeine could be considered "food additives", creating an unnecessary ambiguity.

Your Committees also made technical nonsubstantive amendments to this bill for consistency, style, and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 904, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 904, H.D. 2.

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

**SCRep. 646            Judiciary on H.B. No. 1095**

The purpose of this bill is to avoid endangering very young passengers on mopeds by requiring that passengers on three-wheeled mopeds be at least 12 years old.

The Department of Transportation and several concerned individuals testified in support of this bill.

Upon consideration, your Committee has amended this bill by:

- (1) Changing its effective date to January 7, 2059, to facilitate continued discussion; and
- (2) Making a technical, nonsubstantive amendment 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. 1095, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1095, H.D. 2.

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

**SCRep. 647            Judiciary on H.B. No. 1096**

The purpose of this bill is to allow persons holding an instruction permit to operate a moped without the accompaniment of an individual who is licensed and older than 21 years of age. In addition, this measure prohibits persons holding a temporary instruction permit from operating a moped during the hours of darkness or carrying any passengers.

The Department of Transportation, and several concerned individuals testified in support of this bill.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 7, 2059, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1096, H.D. 1.

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

**SCRep. 648            Judiciary on H.B. No. 1098**

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

- (1) Defining "after market motorcycle frame";
- (2) Authorizing the county directors of finance to register motorcycles with after market motorcycle frames, using the vehicle identification number on the certification label or the vehicle identification number assigned by the respective county director of finance; and
- (3) Except for motorcycles built on after market motorcycle frames, special interest vehicles, and reconstructed vehicles, prohibiting the registration of a motor vehicle or device unless it is certified by the manufacturer to be in compliance with applicable federal motor vehicle safety standards.

The Department of Transportation, City and County of Honolulu, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 7, 2059, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1098, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1098, H.D. 1.

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

**SCRep. 649            Judiciary on H.B. No. 616**

The purpose of this bill is to encourage the parent-child relationship by providing for parental visitation by electronic communication.

The Family Court Intervention Task Force, and several concerned individuals testified in support of this measure. Two concerned citizens opposed this bill. A concerned individual commented on this measure.

Your Committee has amended this bill by expanding the criteria by which the court shall determine whether awarding visitation by electronic communication is in the best interest of the child to include the standards, procedures, and considerations used to award custody.

Your Committee finds that allowing visitation by electronic communication raises some concerns in situations where domestic violence has been a problem, including the likelihood that an abuser could track and locate the abused party through electronic identifiers. Your Committee's amendments will allow courts to better assess and respond to such concerns. Meanwhile, the role of this measure in encouraging the parent-child relationship warrants 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. 616, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 616, H.D. 2.

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

**SCRep. 650            Judiciary on H.B. No. 597**

The purpose of this bill is to improve the quality of health care through full and free discussion within health care quality control entities by expanding the protections on discoverable information to include interdisciplinary committees composed of representatives of various health care organizations.

The Queen's Medical Center and Healthcare Association of Hawaii testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the new interdisciplinary quality assurance committees' proceedings and records are awarded the same protection from discovery as a quality assurance committee;
- (2) Changing the effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive revisions for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 597, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 597, H.D. 1.

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

**SCRep. 651            Judiciary on H.B. No. 238**

The purpose of this bill is to better protect victims of domestic violence by increasing the minimum jail time and fines that may be imposed for a first time violation of a temporary restraining order on an individual with any prior convictions for certain crimes of violence and sexual assault against a family or household member.

The Honolulu Police Department, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, and a concerned individual testified in support of this measure. The City and County of Honolulu Department of the Prosecuting Attorney and a concerned individual supported this measure with amendments. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the mandatory minimum jail sentence for a person convicted for the first time, with specified prior convictions, for violation of a temporary restraining order may not be suspended;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 238, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 238, H.D. 2.

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

**SCRep. 652            Judiciary on H.B. No. 1093**

The purpose of this bill is to increase highway safety and provide consistency in enforcement and prosecution of commercial motor vehicle operators who drive while under the influence of an intoxicant by making the statutory language concerning blood and breath alcohol concentration

levels for commercial motor vehicle operators consistent with comparable existing statutory language in Chapter 291E, Hawaii Revised Statutes, relating to the use of intoxicants while operating a vehicle.

The Department of Transportation testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1093, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1093, H.D. 1.

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

**SCRep. 653            Judiciary on H.B. No. 1094**

The purpose of this bill is to bring state commercial driver's license (CDL) laws into conformity with the federal Motor Carrier Safety Regulations to ensure Hawaii receives federal funding. This measure makes a number of changes including:

- (1) Adding the definitions of "commercial driver's license downgrade" and "commercial driver's license information system" to state CDL law;
- (2) Requiring the examiner of drivers to verify the certification of a self-certified driver, date-stamp any current medical examiner's certificate submitted by a driver, and post all required information on the Commercial Driver's License Information System (CDLIS);
- (3) Changing the "V" restriction designation on a CDL indicating that the driver is restricted from operating in interstate commerce to indicate that information concerning a driver's medical variance is in the CDLIS;
- (4) Recodifying the original "V" restriction prohibiting a driver from operating in interstate commerce to a "W" code;
- (5) Requiring the examiner of drivers to mark the CDLIS driver record as "not-certified" and initiate a CDL downgrade if a driver fails to produce certain documents to the examiner of drivers;
- (6) Providing parameters for updating information and notification requirements for certain items concerning medical certification and variances for CDL drivers; and
- (7) Requiring the examiner of drivers to record and maintain certain medical information regarding CDL drivers.

The Department of Transportation testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 7, 2059, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1094, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1094, H.D. 1.

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

**SCRep. 654            Judiciary on H.B. No. 1486**

The purpose of this bill is to require small boat harbor vessel permittees who, in the course of providing an excursion using state boating facilities, disembark fare-paying passengers in certain counties with the expectation that they will visit and participate in recreational activity on state property adjacent to quasi-public property during the excursion, to accompany passengers at all times while ashore.

Castle & Cooke Resorts, LLC; Aha Kiole Advisory Committee; and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources and Paradise Cruise, Ltd. testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Making the requirement that small boat harbor vessel permittees accompany fare-paying passengers at all times while ashore applicable instead to persons or entities disembarking fare-paying passengers in counties with a population of 200,000 or less;
- (2) Changing its effective date to January 1, 2059, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1486, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1486, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 655 Finance on H.B. No. 805**

The purpose of this bill is to repeal the income tax exemption for income derived from stock options or stock from a qualified high technology business because the State can no longer afford the cost of this tax exemption.

The Department of Taxation, and a concerned individual supported this bill. The Grassroot Institute 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 805 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 Hashem and Tokioka.  
(Representative Ward voted no.)

**SCRep. 656 Finance on H.B. No. 793**

The purpose of this bill is to:

- (1) Delay the standard deduction and personal exemption increases provided under Act 60, Session Laws of Hawaii 2009, to taxable years beginning after December 31, 2012; and
- (2) Make the increases permanent.

The Department of Taxation supported this bill. A concerned individual opposed this measure. 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. 793 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 657 Finance on H.B. No. 1089**

The purpose of this bill is to conform Hawaii income tax law to the Internal Revenue Code.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that section 68 of the Internal Revenue Code (IRC), with respect to the overall limitation on itemized deductions, shall be operative, except for sections 68(f) and 68(g);
- (2) Specifying that section 164(b)(5) of the IRC, with respect to taxes, shall not be operative for state income tax purposes;
- (3) Repealing existing provisions that specify that certain increases in maximum deductions and qualifying investments under section 179 of the IRC (election to expense certain depreciable businesses assets) are not operative under state income tax law;
- (4) Establishing that the aggregate cost provided in section 179(b)(1) of the IRC that may be taken into account under subsection 179(a) for any taxable year shall not exceed \$25,000;
- (5) Establishing that the amount at which the reduction in limitation provided in section 179(b)(2) of the IRC begins shall be \$200,000 for any taxable year;
- (6) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1089, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 658 Finance on H.B. No. 1091**

The purpose of this bill is to clarify the current application of the use tax by eliminating overbroad and redundant language in a provision relating to interstate commerce activities.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1091, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 659 Finance on H.B. No. 1252**

The purpose of this bill is to change the way Department of Accounting and General Services (DAGS) construction projects are assessed by having the assessments be a percentage of all state fund appropriations for capital improvements designated for the construction cost, provided the assessment moneys apply only to capital improvement appropriations that are designated for the construction and renovation of state buildings.

DAGS commented on this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1252, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1252, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 660 Finance on H.B. No. 1319**

The purpose of this bill is to establish the Progressive Tax Reform Task Force (Task Force) within the Department of Taxation (DOTAX) to identify the steps needed to create a more balanced and progressive tax structure in Hawaii, and to assist the Director of Taxation in creating a consistent, fair, and uniform tax structure.

DOTAX, Tax Foundation of Hawaii, and the Democratic Party of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Establishing a sunset date of June 30, 2012, for the Task Force; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1319, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 661 Finance on H.B. No. 1626**

The purpose of this bill is to ensure the proper improvement and maintenance of roadways by permitting the County of Hawaii to appropriate the County's share of fuel tax revenue for a grant-in-aid program for the maintenance of private roads maintained by nonprofit maintenance corporations.

The Board of Directors of the Hawaiian Paradise Park Owners Association, Volcano Community Association, Friends of Puna's Future, Council Chair and two Councilmembers of the Hawaii County Council, and several concerned individuals supported this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii and Hawaiian Shores Community Association & Pakaka Road Association provided comments.

Your Committee has amended this bill by:

- (1) Removing language authorizing the County of Hawaii to establish a grant-in-aid program, in favor of language that authorizes the County to expend the County's share of fuel tax revenue for the maintenance of substandard private subdivision roads used by the public;



- (2) Inserting a sunset date of June 30, 2016;
- (3) Changing its effective date to July 1, 2030, 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. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1626, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 662 Finance on H.B. No. 404**

The purpose of this bill is to help provide a sufficient health care infrastructure by authorizing the issuance of special purpose revenue bonds to assist Palolo Chinese Home to finance the expansion, construction, and rebuilding of its health care facilities.

The Palolo Chinese Home supported this bill. A concerned individual opposed this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Changing the lapse date of the special purpose revenue bond issuance to June 30, 2016;
- (2) Making unspecified the bond authorization amount; and
- (3) Changing its effective date to July 1, 2030, 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. 404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 404, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 663 Finance on H.B. No. 562**

The purpose of this bill is to allow the Director of Finance to invest excess non-general fund monies in any state issued general obligation bond or interest bearing note or other obligation, under certain conditions.

The Department of Budget and Finance submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 562, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 664 Finance on H.B. No. 744**

The purpose of this bill is to protect public health and safety by:

- (1) Creating the Dam Safety Task Force (Task Force) to review applicable laws, rules, and ordinances and recommend actions to be taken by the engineering division of the Department of Land and Natural Resources (DLNR) in its administration of the Hawaii Dam Safety Program;
- (2) Establishing the membership of the Task Force; and
- (3) Requiring the Task Force to report its findings and recommendations to the Legislature.

The Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, Land Use Research Foundation of Hawaii, Hawaii Agriculture Research Center, and several concerned individuals testified in support of this bill. DLNR, Alexander and Baldwin, Inc., Hawaiian Commercial and Sugar Company, and Kauai Coffee Company provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, 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. 744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 744, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 665 Finance on H.B. No. 794**

The purpose of this bill is to amend the State Income Tax Law by:

- (1) Placing a temporary cap on the amount of itemized deductions that may be claimed by a taxpayer; and
- (2) Suspending the refunding feature of the capital goods excise tax credit for eligible depreciable tangible personal property placed in service after December 31, 2010, but before January 1, 2015.

The Department of Taxation supported this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that suspend the refunding feature of the capital goods excise tax credit for eligible depreciable tangible personal property placed in service after December 31, 2010, but before January 1, 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. 794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 794, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 666 Finance on H.B. No. 808**

The purpose of this bill is to address the current fiscal needs of the State by:

- (1) Temporarily suspending the distribution of a portion of the conveyance tax to the Land Conservation Fund and Rental Housing Trust Fund; and
- (2) Reducing the percentage of conveyance tax distributed to the Natural Area Reserve Fund.

The Department of Human Services; Office of Planning; Hawaii Housing Finance and Development Corporation; Department of Community Services of the City and County of Honolulu; Hawaii Habitat for Humanity; Kauai Watershed Alliance; Grove Farm Company, Incorporated; Partners in Care; KAHEA: The Hawaiian-Environmental Alliance; West Maui Mountains Watershed Partnership; Castle & Cooke Hawaii; Maui Land & Pineapple Company, Inc.; Office of Hawaiian Affairs; Haleakala Ranch Company; EAH Housing; Catholic Charities Hawaii; The Mutual Housing Association of Hawaii, Inc.; Stanford Carr Development, LLC; Maui Invasive Species Committee; Conservation Council for Hawaii; Roman Catholic Church in the State of Hawaii; Oahu Invasive Species Committee; The Trust for Public Land's Hawaiian Islands Program; Coordinating Group on Alien Pest Species; The Nature Conservancy of Hawaii; Hawaii Island Community Development Corporation; Social Justice Council of the First Unitarian Church of Honolulu; Maikai Kamakani O Kohala, Incorporated; Maui Grown Coffee, Inc.; Hana Ranch Partners, LLC; Hawaiian Islands Land Trust; and numerous concerned individuals testified in opposition to this bill. The Department of Land and Natural Resources, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting language that temporarily suspends the distribution of a portion of the conveyance tax to the Rental Housing Trust Fund and reduces the percentage of conveyance tax distributed to the Natural Area Reserve Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 808, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 667 Finance on H.B. No. 814**

The purpose of this bill is to amend provisions relating to group life insurance for active and retired public employees by:

- (1) Requiring the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund to provide group life insurance benefits only to employees who retire before July 1, 2011;
- (2) Repealing the public employers' monthly contribution toward the payment of group life insurance benefits for active employees;
- (3) Repealing provisions pertaining to the negotiation of cost items for active employees; and
- (4) Defining "health benefits plan".

The University of Hawaii Professional Assembly; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and several concerned individuals testified in opposition to this bill. The Department of the Attorney General and Department of Budget and Finance commented on this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 814, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 668 Finance on H.B. No. 840**

The purpose of this bill as received by your Committee is to allow the provision of discounts for liquor purchases through coupons or mail-in rebates when made in combination with other merchandise.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that inserts additional provisions that:

- (1) Increase the various liquor tax rates; and
- (2) Reduce the tax rate on the first 60,000 barrels of beer brewed or produced by small breweries and brewpubs.

The Department of Taxation supported this bill. Anheuser Busch Companies; Kona Brewing Co.; Distilled Spirits Council of the United States; Wine Institute; Anheuser Busch Sales of Hawaii, Inc.; Southern Wine & Spirits of Hawaii; Hilton Worldwide; Hawaii Food Industry Association; Hawaii Liquor Wholesalers Association; and numerous concerned individuals opposed this measure. The Tax Foundation of Hawaii, MillerCoors, and several concerned individuals provided comments.

Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Changing the proposed increase on the various liquor taxes from a 50 percent increase to a 20 percent increase; and
- (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. 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 Hashem and Tokioka.

**SCRep. 669 Finance on H.B. No. 973**

The purpose of this bill is to assist taxpayers by, among other things:

- (1) Repealing provisions requiring mandatory electronic state tax filing for those taxpayers required to file a federal tax return and electronically remit any federal taxes to the federal government;
- (2) Restoring the filing and payment deadlines for miscellaneous tax types to the last day of the month rather than the 20<sup>th</sup> of the month; and
- (3) Changing the monthly deadline for filing and payment of insurer premium taxes to filing on a quarterly basis.

The Hawaii Business League and a concerned individual testified in support of this measure. The Department of Taxation, Tax Foundation of Hawaii, and The Chamber of Commerce 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. 973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 973, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 670 Finance on H.B. No. 1060**

The purpose of this bill is to clarify laws relating to information technology established in Act 200, Session Laws of Hawaii 2010, including:

- (1) Removing the Chief Information Officer's (CIO) oversight of the Information and Communication Services Division (ICSD) of the Department of Accounting and General Services (DAGS);
- (2) Changing the amount transferred to the Shared Services Technology Special Fund (Special Fund) from revenues collected from central services expenses from an unspecified percentage to \$1,000,000;
- (3) Requiring the Director of Budget and Finance to be responsible for moneys on behalf of the Information Technology Steering Committee (Steering Committee) to be deposited into a trust account; and
- (4) Repealing the law relating to the CIO, Steering Committee, and Special Fund on June 30, 2013.

DAGS and the Hawaii Community Foundation testified in support of this bill.

Your Committee has amended this bill by:

- (1) Reinstating provisions relating to the CIO's oversight of ICSD;
- (2) Specifying that the CIO's staff be exempt from civil service and collective bargaining laws;
- (3) Transferring the Special Fund from the Department of Budget and Finance to DAGS;
- (4) Reinstating the unspecified percentage of central services expenses to be deposited to the Special Fund;
- (5) Removing the June 30, 2013 repeal of provisions relating to the establishment of the CIO, Steering Committee, and Special Fund;
- (6) Changing the effective date to July 1, 2030, 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. 1060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1060, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 671 Finance on H.B. No. 418**

The purpose of this bill is to facilitate the remittance of general excise taxes by permitting the payment of general excise taxes at certain chartered or licensed financial institutions. This measure requires these financial institutions to pay remittances to the state treasury and report receipts to the Department of Taxation.

The Hawaii Bankers Association opposed this bill. The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual provided comments.

Your Committee has amended this bill by deleting its contents and replacing them with provisions that:

- (1) Decrease from \$100,000 to \$50,000, the tax liability threshold at which the Director of Taxation is authorized to require the person to remit taxes by one of the approved electronic funds transfer methods; and
- (2) Decrease from \$40,000 to \$20,000, the threshold of annual tax liabilities applying to the withholding of taxes on wages at which the Director of Taxation is authorized to require the person to remit taxes by one of the approved electronic funds transfer methods.

Your Committee has further amended this bill by changing its effective date to July 1, 2030, 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. 418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 418, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 672 Finance on H.B. No. 564**

The purpose of this bill is to assist the State in the future during times of emergency, severe economic downturn, and unforeseen reduction in revenues by increasing the percentage of moneys from the excess general fund balance to be deposited into the Emergency and Budget Reserve Fund (Fund) from five percent to ten percent.

The Department of Budget and Finance and Tax Foundation of Hawaii provided comments on this bill.

Your Committee has amended this bill by:

- (1) Requiring that five percent of the excess general fund balance deposited into the Fund be used to reduce the unfunded liability of the Employees' Retirement System; and
- (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. 564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 564, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 673 Finance on H.B. No. 795**

The purpose of this bill as received by your Committee is to temporarily limit the amount of income tax credits a taxpayer may claim against the taxpayer's net income tax liability to 80 percent of the taxpayer's tax liability for the taxable year in which the credit is claimed.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deleted the contents of the bill and replaced them with provisions that place a temporary cap on the amount of transient accommodations tax (TAT) revenues distributed to the counties at the lesser of 44.8 percent or \$101,978,000 of the TAT revenues collected in a fiscal year.

The City and County of Honolulu, Mayor of Hawaii County, ILWU Local 142, and a concerned individual opposed this bill. The Department of Taxation, Mayor of Kauai County, Maui County, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further 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. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 795, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 674 Finance on H.B. No. 1267**

The purpose of this bill is to ensure the proper funding of health care services in Hawaii by appropriating funds for the costs associated with Medicaid programs and comprehensive health care services.

The Hawaii Health Systems Corporation, Healthcare Association of Hawaii, and a concerned individual supported this bill. The Department of Health, American Heart Association, and Coalition for a Tobacco-Free Hawaii opposed this measure. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Redirecting for two fiscal years the portion of Tobacco Settlement Fund moneys from the Emergency and Budget Reserve Fund and the Tobacco Prevention and Control Trust Fund to the general fund;
- (2) Transferring \$25,000,000 from the Tobacco Prevention and Control Trust Fund to the general fund;
- (3) Including additional appropriations to fund health care infrastructure, the Preschool Open Doors Program, court substance abuse programs, matching funds for the federal disproportionate share hospital allowance, and Kupuna Care;
- (4) Changing its effective date to July 1, 2030, 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. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1267, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 675 Finance on H.B. No. 1270**

The purpose of this bill is to:

- (1) Require the Department of Taxation (DOTAX) to evaluate certain tax credits and exemptions and provide a report of its findings to the Legislature;
- (2) Provide for the automatic repeal of tax credits and exemptions; and
- (3) Provide funding for additional positions in DOTAX, including an economist, a research statistician, and an administrative rules specialist.

A concerned individual supported this bill. The Hawaii Housing Finance and Development Corporation; EAH Housing; Pacific Guardian Life Insurance Company, Ltd.; Woodmen of the World; SolarCity; Property Casualty Insurers Association of America; Hawaii Habitat for Humanity Association; Retail Merchants of Hawaii; the Roman Catholic Church in the State of Hawaii, Diocese of Honolulu; Catholic Charities Hawaii; the Land Use Research Foundation of Hawaii; SunPower Systems Corporation; The Queen's Medical Center; Kairos Energy Capital, LLC; Stanford Carr Development, LLC; The Solar Alliance; Hawaii Solar Energy Association; USAA; the American Council of Life Insurers; the American Fraternal Alliance; Prudential Financial; the Knights of Columbus; Hawaii BioEnergy; Hawaii Electric Industries and subsidiaries Hawaiian Electric Company, Inc., and American Savings Bank; Liberty Mutual; Mutual Housing Association of Hawaii, Inc.; and numerous concerned individuals testified in opposition to this measure. DOTAX, the Department of Business, Economic Development and Tourism; the City and County of Honolulu Department of Community Services; the Tax Foundation of Hawaii; The Chamber of Commerce of Hawaii; the Military Affairs Council of The Chamber of Commerce of Hawaii; the Hawaii Association of REALTORS®; the Honolulu Board of REALTORS®; the Healthcare Association of Hawaii; Thrivent Financial for Lutherans; Faith Action for Community Equity; the Hawaii Harbor Users Group; Alexander and Baldwin, Inc.; Oceanic Time Warner Cable; the Building Industry Association of Hawaii; the Hawaii Credit Union League; the Hawaii Film and Entertainment Board; the Hawaii Alliance of Nonprofit Organizations; the National Association of Independent Life Brokerage Agencies; Hawaii Farm Bureau Federation; Covanta Energy Group; the National Association of Insurance and Financial Advisors; Hawaiian Telcom; and several concerned individuals provided comments.

Your Committee amended this bill by:

- (1) Removing the responsibility of DOTAX to evaluate the tax credit, exclusion, and exemption data provided by the taxpayers to DOTAX and instead allowing any interested person or private or government agency to provide such analysis to the Legislature;
- (2) Providing that the data collected by DOTAX is public information, allowing for analysis by nongovernmental agencies;
- (3) Requiring DOTAX to provide a report to the Legislature summarizing the statistical information received from the taxpayers;
- (4) Providing firm deadlines for the taxpayer to report information to DOTAX, for DOTAX to provide the information to the Legislature, and for any interested parties to provide analyses to the Legislature for consideration;
- (5) Providing for the repeal of certain tax credits, exclusions, and exemptions;
- (6) Removing specific exemptions and credits from this bill, leaving them in the statutes;
- (7) Deleting the section providing for an appropriation for additional positions for DOTAX; and
- (8) 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. 1270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 676 Finance on H.B. No. 575**

The purpose of this bill is to assist the State in addressing its financial needs by extending the five percent reduction in legislative salaries until June 30, 2013.

No testimony was received on this bill.

Your Committee has amended this bill by:

- (1) Applying the two-year extension of salary reductions to certain executive and judicial branch positions; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 677 Finance on H.B. No. 79**

The purpose of this bill is to assist the State in addressing its fiscal needs by:

- (1) Repealing, terminating, or closing certain revolving funds and trust funds; and
- (2) Providing for the automatic repeal of all new and existing special and revolving funds.

A concerned individual testified in support of this bill. The Department of Human Services; University of Hawaii System; University of Hawaii at Manoa; Department of Health; Department of Public Safety; Department of Accounting and General Services; Department of Human Resources Development; Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Crime Victim Compensation Commission; Department of Information Technology of the City and County of Honolulu; Honolulu Police Department; Hawaii Teacher Standards Board; Hawaii State Public Library System; High Technology Development Corporation; Catholic Charities Hawaii; University of Hawaii Alumni Association; Hawaii Primary Care Association; Society for Hawaiian Archaeology; Associated Students of the University of Hawaii; Hawaii Strategic Development Corporation; University of Hawaii Foundation; Hoola Lahui Hawaii; and numerous concerned individuals testified in opposition to this measure. The Judiciary, Department of the Attorney General, Department of Budget and Finance, Department of Labor and Industrial Relations, Department of Land and Natural Resources, Department of Hawaiian Home Lands, Department of Commerce and Consumer Affairs, Department of Agriculture, Department of Human Services, Public Utilities Commission, Office of Planning, State Foundation on Culture and the Arts, Stadium Authority, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii County Police Department, Department of the Prosecuting Attorney of the County of Maui, Hawaii Community Development Authority, Tax Foundation of Hawaii, Healthcare Association of Hawaii, University of Hawaii Cancer Center, Hawaii Substance Abuse Center, Hawaii State Center for Nursing, American Heart Association, Coalition for a Tobacco-Free Hawaii, and numerous concerned individuals offered comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions for the automatic repeal of all new and existing special funds and revolving funds;
- (2) Requiring each state agency to report to the 2012 Legislature on every non-general fund under its control or administration; and
- (3) Making technical nonsubstantive amendments for the purposes of 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. 79, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 79, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 678 Finance on H.B. No. 853**

The purpose of this bill is to assist the State in weathering future economic downturns, as well as to leverage resources to finance operations while protecting the public's financial interest by, among other things:

- (1) Establishing the Bank of the State of Hawaii (Bank) and its powers and duties;
- (2) Providing for the appointment of an Advisory Board of Directors (Board) of the Bank;
- (3) Establishing the membership of the Board and the duties of the Board;
- (4) Providing for the depositing of public funds into the Bank;
- (5) Establishing the powers of the Bank;
- (6) Stipulating that any funds earned by the Bank in excess of amounts necessary to pay for expenses of administering the activities of the Bank shall be deposited into the general fund;
- (7) Providing the Board with rulemaking authority;
- (8) Requiring the Department of Commerce and Consumer Affairs (DCCA) to examine the Bank at least each calendar quarter to verify that the Bank is complying with the rules established by the Board;
- (9) Requiring the Auditor to audit the accounts and financial affairs of the Bank at least once every two years; and
- (10) Guaranteeing the deposits in the Bank.

The Public Banking Institute, Imua Alliance, and Faith Action for Community Equity testified in support of this bill. DCCA, the Hawaii Credit Union League, Hawaii Bankers Association, and a concerned individual testified in opposition to this measure. The Department of Budget and Finance and Center for State Innovation provided comments.

Your Committee has amended this bill by deleting its contents and replacing it with language that, among other things:

- (1) Creates a task force to:
  - (A) Review, investigate, and study an existing state-owned bank and any applicable laws necessary to establish the Bank; and
  - (B) Craft an implementation plan for the Bank;
- (2) Establishes the membership of the task force;
- (3) Stipulates that the Commissioner of the Division of Financial Institutions of DCCA shall serve as the chair of the task force; and
- (4) Requires the task force to submit an interim and final report to the Legislature that includes, among other things, information concerning a review of the Bank of North Dakota model, the feasibility of establishing the Bank, the short-term and long-term economic impacts of the Bank, and estimated costs of establishing the Bank.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 679 Finance on H.B. No. 799**

The purpose of this bill as received by your Committee is to temporarily suspend the exemptions from the general excise tax and use tax for certain persons and certain amounts of gross income or proceeds and require that these amounts be assessed at a rate of one percent.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that:

- (1) Changes the assessed rate from one percent to four percent;
- (2) Temporarily repeals an additional 12 general excise tax exemptions;
- (3) Imposes a reporting requirement for exclusions or exemptions on amounts received by certain persons and organizations even if the person or organization meets certain federal tax filing exemptions; and
- (4) Makes technical, nonsubstantive amendments for clarity, consistency, and style.

Anheuser Busch Companies; ILWU Local 142; University of Hawaii Foundation; District 50 Hawaii Lions; Hawaii State Bar Association; Hawaii Community Foundation; Subcontractors Association of Hawaii; Retail Merchants of Hawaii; Aloha Society of Association Executives; Norwegian Cruise Line; North West and Canada Cruise Association; Goodwill Industries of Hawaii, Inc.; National Kidney Foundation of Hawaii; The YMCA of Honolulu; Waianae Coast Early Childhood Services; Pacific Gateway Center; Housing Solutions Inc.; Aloha United Way; Hawaii Association of Independent Schools; Hawaii Hotel & Lodging Association; Hawaii Primary Care Association; Hawaii Youth Services Network; Building Industry Association of Hawaii; Historic Hawaii Foundation; Hospice Hawaii, Inc.; Hawaii Credit Union League; Hawaii People's Fund; Volcano Art Center; Hoola Lahui Hawaii; Hawaii County Economic Opportunity Council; Doris Todd Memorial Day Christian School; Kauai Planning & Action Alliance; Airlines Committee of Hawaii; The Queen's Health Systems; Hawaiian Airlines; Architectural Diagnostics Ltd.; Ku Aloha Ola Mau; Marimed Foundation; Hawaii Branch of the International Dyslexia Association; Lanakila Pacific; W. M. Keck Observatory; Holualoa Foundation for Arts and Culture; Navy Hale Keiki School; Pacific Telecommunications Council of Hawaii; Island Pacific Academy; and numerous concerned individuals opposed this bill. The Department of Taxation; Department of Environmental Services of the City and County of Honolulu; Tax Foundation of Hawaii; The Chamber of Commerce of Hawaii; Outrigger Hotels Hawaii; Covanta Energy Corporation; Healthcare Association of Hawaii; Hawaii Chronic Obstructive Pulmonary Disease Coalition; Coalition for a Tobacco-Free Hawaii; Hawaii Farm Bureau Federation; Alexander & Baldwin, Inc.; Board of Directors of the Maui Choral Arts Association; National Council of Nonprofits; Hawaii Harbors Users Group; Hawaii HomeOwnership Center; Kahuna Valley; Hawaii Association of REALTORS; and a concerned individual provided comments.

Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Inserting a graduated assessment rate for both the general excise and use taxes as follows:
  - (A) Two percent from January 1, 2012, to December 31, 2012;
  - (B) Three percent from January 1, 2013 to December 31, 2013; and
  - (C) Four percent from January 1, 2014, to June 30, 2015;
- (2) Changing the period of the exemption suspension from state fiscal years to taxable years, thereby commencing the suspension on January 1, 2012, and ending the suspension on June 30, 2015;
- (3) Specifying that the general excise tax imposed under this measure will not apply to any gross income or gross proceeds of sale that cannot legally be taxed under federal law;



- (4) Restoring 15 general excise tax exemptions and two use tax exemptions; 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. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 799, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 680 Finance on H.B. No. 306**

The purpose of this bill as received by your Committee is to require the Department of Taxation (DOTAX) to provide the Legislature with an annual report on individual income patterns in the State; a biennial report on the income patterns of corporations, proprietorships, and partnerships in the State; and an annual report on tax credits.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deletes the bill's contents and:

- (1) Amends the method of computing the estate and transfer tax;
- (2) Repeals the income tax credit for resident taxpayers for income taxes paid to other jurisdictions; and
- (3) Imposes an excise tax on direct broadcast satellite service providers.

A concerned individual opposed this bill. DOTAX, the Tax Foundation of Hawaii, Hawaii Association of REALTORS, Oceanic Time Warner Cable, and several concerned individuals provided comments.

Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by:

- (1) Making the changes made to the computing method of the estate and transfer tax apply retroactively to the estates of decedents who died after April 30, 2010;
- (2) Changing its effective date to July 1, 2030, 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. 306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 306, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 681 Finance on H.B. No. 1092**

The purpose of this bill, as received by your Committee, is to improve Hawaii's tax system by:

- (1) Indexing income tax amounts for inflation;
- (2) Repealing the state tax deduction for state income tax paid;
- (3) Capping the income tax exemption on employer-funded pension income;
- (4) Eliminating extension of the royalties exclusion to certain persons involved in performing arts products;
- (5) Amending the Transient Accommodations Tax (TAT) base for timeshare owners; and
- (6) Increasing the TAT rate for timeshare owners.

For purposes of a public hearing on this bill, your Committee circulated a proposed draft, and notified the public that it would be accepting testimony on the proposal, which:

- (1) Provides for the taxation of pension income that exceeds various thresholds;
- (2) Repeals the deduction for state taxes paid, with a phaseout for taxpayers with lower incomes; and
- (3) Modifies the exclusion for royalties.

Your Committee received testimony from the following organizations and individuals on H.B. No. 1092, as introduced, and on the proposed draft:

H.B. No. 1092: Several individuals testified in support of this bill. MusicLand Hawaii and numerous concerned individuals testified in opposition to this measure. The Governor submitted comments.

H.B. No. 1092, Proposed Draft: The Military Officers Association of America, Hawaii Chapter; MusicLand Hawaii; and several concerned individuals testified in opposition to this measure. The Department of Taxation; Department of Budget and Finance; Tax Foundation of Hawaii; AARP Hawaii; Americans for Democratic Action/Hawaii; SheeHandsomeDevil Records; Robert Sterling Music New York Publishing Company; Aumakua Records, Soul Sound LLC; the Policy Advisory Board for Elder Affairs; and several concerned individuals commented on this measure.

Your Committee considered the merits of both H.B. No. 1092, as introduced, and the proposed draft, and upon careful consideration, recommends passage of a measure, the purpose of which is to:

- (1) Tax the pension income of:
  - (A) An individual filer or married person filing separately with federal adjusted gross income of \$100,000 or more;
  - (B) A joint or surviving spouse filer with federal adjusted gross income of \$200,000 or more; and
  - (C) A head of household with federal adjusted gross income of \$150,000 or more;
 and
- (2) Make subject to the foregoing limitations the exemption under Section 88-91, Hawaii Revised Statutes (HRS); certain exclusions from gross, adjusted gross, and taxable income under Section 235-7, HRS; and for certain taxpayers the deductions under sections 164(a)(3) and 164(b)(5) of the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1092, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Choy and C. Lee.  
(Representatives Marumoto, Riviere and Ward voted no.)

**SCRep. 682 Finance on H.B. No. 273**

The purpose of this bill is to amend the tax on tobacco products, other than large cigars, sold by a wholesaler or dealer on or after July 1, 2011, to equal \$3.20 for each tobacco product article or item sold.

The American Lung Association in Hawaii, American Cancer Society Hawaii Pacific Inc., Hawaii COPD Coalition, Healthy Mothers Healthy Babies, and Coalition for a Tobacco-Free Hawai'i testified in support of the bill. The Department of Taxation, the Tax Foundation of Hawaii, University of Hawai'i Cancer Center, and the American Heart Association submitted comments.

Your Committee has amended this bill by:

- (1) Amending the amount of the excise tax on tobacco products to reflect an excise tax equal to the greater of 70 percent of the wholesale price of, or \$3.20 for, each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer on and after July 1, 2011;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 273, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 683 Judiciary on H.B. No. 1140**

The purpose of this bill is to allow an arbitrator to enter a default ruling against any party in an arbitration proceeding that fails to pay the arbitration fees or costs directed by an arbitrator or arbitration organization.

The Collection Law Section of the Hawaii State Bar Association supported this bill with amendments. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Hawaii Association for Justice opposed this bill. The Judiciary submitted comments.

Your Committee has amended this measure by:

- (1) Limiting default rulings for failure to pay arbitration fees and costs to arbitration proceedings where all parties are commercial entities; and
- (2) Changing its effective date to January 7, 2059, 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. 1140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1140, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 684            Judiciary on H.B. No. 747**

The purpose of this bill is to amend the licensing requirements of the liquor commission by removing retailers and licensees holding class 4 licenses from those licensees required to hold liquor liability insurance of no less than \$1,000,000. In addition, this bill revokes the exemption for minimarts holding class 4 licenses to maintain liquor liability insurance coverage of no less than \$1,000,000.

The City and County of Honolulu Liquor Commission testified in support of this measure. The Hawaii Association for Justice opposed this bill.

Your Committee has amended this bill by:

- (1) Reinstating class 4 licenses to the list requiring holders to obtain a minimum amount of liability insurance;
- (2) Reinstating the exception for convenience minimarts holding a class 4 license to obtaining the minimum amount of liability insurance; and
- (3) Changing its effective date to January 7, 2059, 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. 747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 747, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 685            Judiciary on H.B. No. 254**

The purpose of this bill is to protect the public health and safety, and maintain the esthetic integrity of the Waikiki area by prohibiting public urination and defecation in the Waikiki area.

The Honolulu Police Department and several concerned individuals testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this measure by:

- (1) Adding language to the section title to clarify that the violation applies to the Waikiki area;
- (2) Sunsetting the provisions of the bill on December 31, 2014;
- (3) Reducing the penalty for the offense to a violation punishable by no more than forty hours of community service or a fine of no more than \$200;
- (4) Changing the effective date to January 1, 2059, to promote 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. 254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 254, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 686            Judiciary on H.B. No. 1138**

The purpose of this bill is to improve the system of attorney liens by including arbitration in those proceedings to which attorney liens may be attached, and eliminating the filing deadline for attorney liens.

The Collection Law Section of the Hawaii State Bar Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1138 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, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 687 Water, Land, & Ocean Resources on H.B. No. 1654**

The purpose of this bill is to address the continued need for group living facilities in residential communities. Specifically, this measure requires the automatic termination of a conditional use permit issued by a county agency for the operation of a group living facility:

- (1) If the facility ceases operations and does not resume operations for a year; or
- (2) Fails to commence operations within one year of the issuance of the permit,

whichever occurs sooner.

Several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1654, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 688 Consumer Protection & Commerce on H.B. No. 484**

The purpose of this bill is to help ensure that advanced practice registered nurses are used to their full potential by requiring each hospital in the State to allow licensed advanced practice registered nurses to practice within the full scope of their authorized practice, including as primary care providers.

The Board of Nursing; the Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; Hawaii Medical Service Association; and the Hawaii State Center for Nursing supported this bill. The Healthcare Association of Hawaii and Kaiser Permanente Hawaii 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 H.B. No. 484 and recommends that it pass Third Reading.

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

**SCRep. 689 Consumer Protection & Commerce on H.B. No. 1552**

The purpose of this bill is to prevent misleading labeling of packaged coffee by prohibiting the use of a geographic origin on a label other than in the registered trademark or in the identity statement.

The Hawaii Coffee Association testified in support of this measure. The Kona Coffee Farmers Association, the Kona County Farm Bureau, Pohaku Kona Coffee Farms, and numerous concerned individuals 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. 1552, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 690 Consumer Protection & Commerce on H.B. No. 1620**

The purpose of this bill is to exempt from the insurance laws for fraternal benefit societies, associations:

- (1) That were organized before 1880;
- (2) That provide insurance and other benefits to their members and their dependents or beneficiaries; and
- (3) Whose members are active, retired, or honorably discharged members of the United States Armed Forces or Sea Services.

The Navy Mutual Aid Association testified in support of this measure. The Department of Commerce and Consumer Affairs testified in support of the intent of this bill.

These associations pre-date the enactment of the fraternal benefit society laws and are organized for the benefit of military members and their families. The longevity of these associations is an indication of their financial stability and thus they should be exempt from these laws.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1620 and recommends that it pass Third Reading.

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

**SCRep. 691 Consumer Protection & Commerce/Judiciary on H.B. No. 924**

The purpose of this bill is to clarify the interpretation of commercial liability insurance policies affecting construction professionals.

Wailea MF-9 Associates, LLC; Koga Engineering & Construction, Inc.; the Building Industry Association of Hawaii; Royal Contracting, Co.; the Painting and Decorating Contractors Association of Hawaii; Albert C. Kobayashi, Inc.; Ralph S. Inouye Co., Ltd.; Constructors Hawaii Inc.; Alan Shintani, Inc.; Nan, Inc.; Hawaiian Dredging Construction Company; the General Contractors Association; Pacific Resource Partnership; Lindemann Construction Inc.; Morris Kozai Landscapes, LLC.; Clay Chapman Iwamura Pulice & Nervell; Choice Fence; Air Central Inc.; Kalu Glass Co., Inc.; SteelTech, Inc.; Royal Contracting Co., Ltd.; Rons Construction Corporation; S & M Sakamoto, Inc.; and Robert M. Kaya Builders, Inc., supported this measure. First Insurance Company, Sand Insurance; Hawaii Insurers Council; and the Property Casualty Insurers Association of America opposed this bill. The Department of Commerce and Consumer Affairs presented concerns. A concerned individual presented comments.

Your Committees amended this bill by:

- (1) Clarifying the purpose section to explain the purpose and intent of the measure as amended;
- (2) Removing the provisions concerning the duty to defend for construction defect claims;
- (3) Inserting definitions of "contractor" and "licensed contractor" and substituting the term "commercial general liability insurance" for "liability insurance policy" and amending its definition;
- (4) Amending the new section to avoid possible conflicts with section 431:1-209(1), (13), or (15);
- (5) Limiting the new section to licensed contractors only;
- (6) Clarifying the interpretation of a liability insurance policy to address the issues in the Group Builders case;
- (7) Clarifying that the new section shall not be construed to cover additional contractual obligations;
- (8) Clarifying that any provision in a policy that is in violation of this section is void but shall not effect the rest of the coverage in the policy;
- (9) Placing the new section in Part II of Article I of the Insurance Code; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 924, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 924, H.D. 2.

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

**SCRep. 692 Consumer Protection & Commerce on H.B. No. 1134**

The purpose of this bill is to ensure that Hawaii's Prepaid Health Care continues even if national health care coverage legislation passes, by deleting provisions for the termination of Hawaii's Prepaid Health Care Act on the effective date of federal legislation for health care. Without knowing what the federal coverage might entail and knowing that Hawaii's Prepaid Health Care works well, it is important that Hawaii not lose its successful health care coverage.

The Department of Labor and Industrial Relations, the Hawaii Association of Health Plans, Hawaii Medical Association, and Hawaii Medical Service Association supported the bill. The Attorney General opposed the measure. The Healthcare Association of Hawaii 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 H.B. No. 1134, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, Luke, Morita and Ching.

**SCRep. 693 Finance on H.B. No. 235**

The purpose of this bill is to:

- (1) Allow a limited liability company to be designated as an "ingenuity company" by the Director of Commerce and Consumer Affairs; and
- (2) Require an ingenuity company to use its right to exclude, conferred by patents in which it has an interest, for certain public purposes.

Several concerned individuals supported this bill. The Commissioner of Securities of the Business Registration Division of the Department of Commerce and Consumer Affairs opposed this bill.

Your Committee has amended this measure by:

- (1) Deleting existing provisions relating to the public purpose of strengthening labor rights and, instead, establishing the public purpose of upholding fair labor standards;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 235, H.D. 2.

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

**SCRep. 694 Finance on H.B. No. 519**

The purpose of this bill is to exclude from the definition of "employment" under the workers' compensation law services performed for:

- (1) A limited liability company by a member who is an individual with a distributional interest of at least 50 percent in the company;
- (2) A partnership by an individual who is a partner of the partnership;
- (3) A limited liability partnership by an individual who is a partner of the limited liability partnership with a transferable interest in the partnership of at least 50 percent; and
- (4) A sole proprietorship by its sole proprietor.

The Chamber of Commerce of Hawaii, Hawaii Independent Insurance Agents Association, National Federation of Independent Business Hawaii, Retail Merchants of Hawaii, and Integrated Economic Solutions, LLC, testified in support of this bill. ILWU Local 142 testified in opposition to 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. 519, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 519, H.D. 1.

Signed by all members of the Committee.

**SCRep. 695 Finance on H.B. No. 594**

The purpose of this bill is to provide for continuing health care in Hawaii's communities by appropriating moneys to the Department of Human Services (DHS) to match the federal disproportionate share hospital funds appropriated to the State for Medicaid payments to health care providers as required for the disbursement of the federal moneys.

The Queen's Medical Center, Kaiser Permanente, and the Healthcare Association of Hawaii testified in support of this bill. DHS provided comments.

Your Committee has amended this bill by changing:

- (1) The appropriation amount from \$9,800,000 to an unspecified amount; and
- (2) Its effective date to July 1, 2030, 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. 594, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 594, H.D. 2.

Signed by all members of the Committee.

**SCRep. 696 Finance on H.B. No. 902**

The purpose of this bill is to improve access to health care in Hawaii, particularly in rural areas, by establishing the Hawaii Medical Doctor Loan Program (Program). Specifically, the Program will provide a low-interest loan with waiver provisions to individuals who agree to practice in rural areas of the State, as designated by the University of Hawaii (UH), and who are also:

- (1) Students who complete a State-approved medical school program at UH; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program.

The UH System and The League of Women Voters of Hawaii supported this bill. The Department of Budget and Finance 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. 902, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 902, H.D. 2.

Signed by all members of the Committee.

**SCRep. 697 Finance on H.B. No. 453**

The purpose of this bill is to clarify that where public access is required as a condition of a subdivision, the county shall:

- (1) Accept the dedication, whereupon it may require the subdivider to establish, and initially fund, a stewardship fund to be controlled by the county for improvement and maintenance of the right-of-way; or
- (2) Require the subdivider or the planned community association to improve and maintain the right-of-way.

No testimony was received on this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 453, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 453, H.D. 1.

Signed by all members of the Committee.

**SCRep. 698 Finance on H.B. No. 1005**

The purpose of this bill is to bring the State into compliance with Title IV-D of the federal Social Security Act that requires the provision of child support services to certain tribal agencies and foreign countries by, among other things, defining "other state" in the State Child Support Enforcement Law to include certain tribal agencies and foreign countries.

The Department of the Attorney General supported this bill.

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

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

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

**SCRep. 699 Finance on H.B. No. 1064**

The purpose of this bill is to continue to protect Hawaii's children by clarifying language in the Child Protective Act, Chapter 587A, Hawaii Revised Statutes, to ensure consistency in practice and compliance with applicable federal requirements, under federal Title IV-E.

The Judiciary, Department of the Attorney General, and Department of Human Services 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. 1064, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1064, H.D. 2.

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

**SCRep. 700 Finance on H.B. No. 1069**

The purpose of this bill is to establish a maximum time frame for the mental health commitment or conditional release of a defendant found unfit to proceed for trial. Specifically, this measure:

- (1) Limits the time of commitment or conditional release to a maximum of 60 days for individuals charged with petty misdemeanors, and a maximum of 120 days for individuals charged with misdemeanors, where the petty misdemeanor or misdemeanor did not involve violence or attempted violence; and
- (2) Requires the dismissal of charges for defendants committed or placed on conditional release who are not found fit to proceed prior to the expiration of the commitment or conditional release unless certain elements are met.

The Department of Health testified in support of this measure. The City and County of Honolulu Department of the Prosecuting Attorney opposed this bill. The Hawaii Disability Rights Center commented on this measure.

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

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

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 701 Finance on H.B. No. 1070**

The purpose of this bill is to clarify the terms of the conditional release of a defendant charged with a petty misdemeanor, misdemeanor, or violation, who was acquitted on the grounds of physical or mental disease, disorder, or defect excluding responsibility by limiting the period of conditional release to no longer than one year.

The Department of Health and Disability Rights Center testified in support of this measure. The City and County of Honolulu Department of the Prosecuting Attorney opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1070, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 702 Finance on H.B. No. 1001**

The purpose of this bill is to appropriate funds to satisfy specified outstanding claims against the State, its officers, and employees for legislative relief, refunds, reimbursements, payments of judgments or other settlements, or other liabilities.

The Department of the Attorney General supported this bill.

Your Committee has amended this bill by:

- (1) Including appropriations totaling \$391,227.57 in general funds to satisfy five additional claims resolved after the introduction of this measure;
- (2) Increasing the settlement amount for a claim in the measure for which additional fees and costs were awarded; and
- (3) Changing its effective date to July 1, 2030, 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. 1001, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1001, H.D. 2.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 703 Finance on H.B. No. 1333**

The purpose of this bill is to improve access to justice by amending the jurisdiction of the Small Claims Division of the District Court to include those cases where the amount in controversy does not exceed \$5,000.

The Judiciary, Collection Law Section of the Hawaii State Bar Association, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1333, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1333, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 704 Finance on H.B. No. 1368**

The purpose of this bill is to bring fairness and clarity to the election process by, among other things:



- (1) Defining the term "party candidate" in relation to the provisions governing the filling of vacancies caused by the death, withdrawal, or disqualification of the candidate; and
- (2) Clarifying the candidate filing process by stipulating that any person who withdraws their nomination papers prior to the close of filing shall not be considered to have caused a vacancy that may be filled by the candidate's party.

The Democratic Party of Hawaii provided comments on this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1368, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1368, H.D. 2.

Signed by all members of the Committee.

**SCRep. 705 Finance on H.B. No. 931**

The purpose of this bill is to clarify the purpose and use of the State's small boat harbors by adding a definition for "regularly navigated" under Chapter 200, Hawaii Revised Statutes, Ocean Recreation and Coastal Areas Programs, to require vessels that are moored within small boat harbors or in offshore mooring areas to be moved under their own power at least once per ninety days.

The Department of Land and Natural Resources, Ocean Tourism Coalition, and a concerned individual testified in support of this bill. Numerous 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. 931 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 706 Finance on H.B. No. 1139**

The purpose of this bill is to expand the circumstances under which a summons or other writ issued by a district court may be served outside of the State.

The Collection Law Section of the Hawaii State Bar Association 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. 1139 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 707 Finance on H.B. No. 1613**

The purpose of this bill is to help encourage voter participation by:

- (1) Requiring an application to vote, including a mail-in application to vote, to include an option for a permanent absentee ballot; and
- (2) Removing the time limit to request an absentee or permanent absentee ballot, provided the request is made prior to 4:30 p.m. on the seventh day prior to the election.

The Hawaii Alliance for Retired Americans, Common Cause Hawaii, and several concerned individuals supported this bill. The Office of Elections and County of Maui Office of the County 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. 1613, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 708 Finance on H.B. No. 863**

The purpose of this bill is to provide the Hawaii Health Authority with an additional year in which it must submit to the Legislature, a comprehensive health plan for all individuals in the State.

Hawaii Medical Association, Health Care for All Hawaii, and several concerned individuals testified in support of the bill. Hawaii Medical Service Association commented on the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 709 Finance on H.B. No. 1330**

The purpose of this bill is to provide continued support to the John A. Burns School of Medicine (JABSOM) by extending the authorization that allocates a portion of Hawaii Tobacco Settlement Special Fund moneys to fund JABSOM operating expenses.

The Chamber of Commerce of Hawaii, JABSOM, University of Hawaii Cancer Center, Hawaii Medical Service Association, Hawaii Medical Association, The Queen's Medical Center, Healthcare Association of Hawaii, Hawaii Pacific Health, and Kalihi-Palama Health Center supported this bill. The Coalition for a Tobacco-Free Hawaii and a concerned individual opposed this bill. The Department of Health, American Cancer Society, American Heart Association, 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 H.B. No. 1330, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 710 Finance on H.B. No. 980**

The purpose of this bill is to ensure that administrative rules are reviewed and updated to remain current with related statutory provisions by:

- (1) Requiring each state agency with rules affecting small businesses to submit an annual report to the Small Business Regulatory Review Board (Board) regarding the statutory changes that impact these rules, and the status of each amended or new rule for which adoption is pending; and
- (2) Requiring the governor to direct state agencies to work with the Board to develop internal processes to expedite rulemaking actions for rules relating to small business that require amendment or adoption, due to a change in applicable law.

The Department of Business, Economic Development, and Tourism and Ocean Tourism Coalition supported this bill. A concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 980, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 711 Finance on H.B. No. 560**

The purpose of this bill is to require the Director of Finance, beginning on July 1, 2011, to:

- (1) Transfer funds from the Compliance Resolution Fund (CRF) to retroactively fund all interest payments on general obligation bonds issued on behalf of the Department of Commerce and Consumer Affairs (DCCA); and
- (2) Collect funds from the CRF each year to pay the interest on the general obligation bonds.

DCCA and Hawaii Insurers Council opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 560 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 712 Finance on H.B. No. 569**

The purpose of this bill is to:

- (1) Require recipients of medical assistance under any Medicaid program administered by the Department of Human Services (DHS), including any Medicaid waiver program, to re-enroll in such Medicaid program every year;
- (2) Require the parent or legal guardian of a minor receiving medical assistance under any Medicaid program administered by DHS, including any Medicaid waiver program, to be responsible for re-enrolling in such Medicaid program on behalf of the minor;
- (3) Eliminate any automatic re-enrollment process or program for any recipient of medical assistance under any Medicaid program administered by DHS beginning January 1, 2014;
- (4) Establish a joint legislative task force on Medicaid to examine issues relating to Medicaid; and
- (5) Require reimbursements for reason of parity for Medicaid beneficiaries categorized in the same or equivalent level of care, living in a community based facility, whether a licensed community care foster family home or licensed adult residential care home.

The Filipino Chamber of Commerce, Alliance of Residential Care Administrators, United Group of Home Operators, and a concerned individual testified in support of this bill. The Hawaii Primary Care Association and AlohaCare testified in opposition to this measure. DHS 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. 569, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 713 Finance on H.B. No. 684**

The purpose of this bill is to enable the provision of shelter and emergency care for the State's runaway or transient youth by, among other things:

- (1) Authorizing certain child care providers to provide emergency shelter and related services where it is for the minor's benefit based on the minor's consent;
- (2) Shielding both provider and parents, custodians, or guardians of the minor from liability for emergency shelter provided or related services rendered, where the minor gave consent; and
- (3) If the provider finds that the minor is subject to imminent harm or danger requiring the provider to report these findings to the Department of Human Services (DHS) or the police.

The Hawaii Youth Services Network and American Civil Liberties Union of Hawaii supported this bill. DHS provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 684, H.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 714 Finance on H.B. No. 758**

The purpose of this bill is to authorize the issuance of general obligation bonds and appropriate funds for the Department of Human Services' (DHS) Vocational Rehabilitation and Services for the Blind Division, to upgrade equipment and facilities for the Ho'oponopu Program.

Several concerned individuals testified in support of this bill. DHS provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 758, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 715 Finance on H.B. No. 290**

The purpose of this bill is to improve the operations of the Department of Agriculture (DOA) by:

- (1) Repealing the Certification Services Revolving Fund and establishing the Agriculture Inspection and Certification Special Fund (Special Fund) to pay for:
  - (A) Licensure of commission merchants, dealers, brokers, agents, processors, and retail merchants;
  - (B) Administration, operation, and enforcement of laws relating to feed, farm produce, and grades and standards; and
  - (C) Inspection, certification, weighing, or grading of certain agriculture commodities;
- (2) Specifying the fees, charges, expenses, fines, penalties, and other funds, collected under the regulatory operations of DOA, that shall be transmitted to the Special Fund;
- (3) Requiring the DOA to adopt, within a specified timeframe, new or amend existing rules to impose or increase fees collected under certain regulatory operations of DOA, and setting certain fees at unspecified amounts to take effect on October 1, 2011 if rules are not adopted within that time frame;
- (4) Allowing DOA to enter into agreements with government and private agencies to:
  - (A) Hire inspectors to perform certification and audit services, and pay for travel and other expenses incurred as a result thereof;
  - (B) Maintain food safety; and
  - (C) Establish and maintain an Internet food safety promotional and reporting system;

- (5) Transferring all funds and unpaid obligations of the Certification Services Revolving Fund to the Special Fund; and
- (6) Appropriating an unspecified amount for the DOA's Agriculture Inspection and Certification Program.

The Hawaii Crop Improvement Association and Hawaii Farm Bureau Federation testified in support of this bill. A concerned individual opposed this measure. The Department of Budget and Finance and DOA 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. 290, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 716 Finance on H.B. No. 424**

The purpose of this measure is to extend the temporary exemption from the State's environmental impact statement law afforded to certain proposed actions involving infrastructure within an existing public right-of-way.

More specifically, this measure would amend Act 87, Session Laws of Hawaii 2009, by changing the date of its repeal from July 1, 2011, to July 1, 2013.

The Department of Transportation, The Chamber of Commerce of Hawaii, and Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company supported this bill. The Land Use Research 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. 424 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 717 Finance on H.B. No. 563**

The purpose of this bill is to assist the State in addressing its projected revenue shortfall by delaying the availability of the existing Ethanol Facility Tax Credit to the year beginning January 1, 2014.

The Department of Taxation and Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 563, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 718 Finance on H.B. No. 1380**

The purpose of this bill is to encourage the use of local produce in Hawaii schools by:

- (1) Establishing the Farm-to-School program in the Department of Agriculture (DOA) to increase procurement of locally-grown fruits and vegetables;
- (2) Establishing the Hawaii-grown Fresh Fruit and Vegetable Program in the Department of Education (DOE) to facilitate the consumption of locally-produced nutritious snacks to improve student health and expand the market for locally-grown produce; and
- (3) Authorizing schools to grow food in school gardens for consumption in schools and as part of the Hawaii-grown Fresh Fruit and Vegetable Program.

This bill also requires the Department of Human Services (DHS) to establish the Farmers to Food Banks Pilot Program to contract with local farmers to provide Hawaii-grown produce to low-income individuals through designated food banks.

DOE, Hawaii Educational Policy Center, American Cancer Society, and several concerned individuals supported this bill. DHS, DOA, Hawaii Farm Bureau Federation, Hawaii Nutrition and Physical Activity Coalition, Hawaii Association of Independent Schools, and the American Heart Association submitted comments.

Your Committee has amended this measure by:

- (1) Allowing, rather than requiring:
  - (A) The Farm-to-School Program to meet certain objectives;
  - (B) The Hawaii-grown Fresh Fruit and Vegetable Program to carry out certain duties;
  - (C) Food from school gardens to be food safety certified by DOA;

- (D) School garden programs to educate students about organic and conventional growing methods;
  - (E) DOE to establish the Farmers to Food Banks Pilot Program; and
  - (F) The Farmers to Food Banks Pilot Program to operate in select pilot site communities statewide;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
  - (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1380, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1380, H.D. 3.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 719 Finance on H.B. No. 1570**

The purpose of this bill is to assist livestock farmers in remaining financially viable by:

- (1) Appropriating funds for the Livestock Revitalization Program (Program) to reimburse qualified producers of milk, pork, eggs, poultry, and beef for feed costs; and
- (2) Expanding the scope of eligible farmers for the Program by including a qualified producer of goat milk with a herd of at least 25 lactating milking goats.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Mikilua Poultry Farm Inc., Dole Food Company Hawaii, and numerous concerned individuals supported this bill. A concerned individual opposed this measure. The Department of Agriculture submitted comments.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified amounts;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1570, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 720 Finance on H.B. No. 1248**

The purpose of this bill is to provide affordable access to loans for new farmers by enhancing the New Farmer Program (Program). Specifically, this bill:

- (1) Reduces the number of credit denials required to qualify for the Program from two to one;
- (2) Changes the annual interest rate on Program loans from six percent to a rate of one and one-half percent below the prime rate or six percent, whichever is less;
- (3) Raises the ceiling on Program loans from \$100,000 to \$250,000; and
- (4) Appropriates funds for the Program.

The Department of Agriculture and the Hawaii Farm Bureau Federation supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1248, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1248, H.D. 1.

Signed by all members of the Committee.

**SCRep. 721 Finance on H.B. No. 865**

The purpose of this bill is to provide additional funding for invasive species prevention and control efforts by raising the inspection, quarantine, and eradication service fee from 50 cents to \$1 for every 1,000 pounds of freight brought into the State, or part thereof.

The Department of Land and Natural Resources, Coordinating Group on Alien Pest Species, Oahu Invasive Species Committee, Maui Invasive Species Committee, Hawaii Crop Improvement Association, Monsanto Hawaii, and a concerned individual supported this bill. The Department of Agriculture, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., Matson Navigation Company, Inc., The Nature Conservancy of Hawaii, Hawaii Forest Industry Association, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Setting the increased fee at 75 cents, rather than \$1, for every 1,000 pounds of freight brought into the State, or part thereof; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 865, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 722 Finance on H.B. No. 596**

The purpose of this bill is to require the Department of Human Services (DHS) to presume eligibility for Medicaid applicants who have been waitlisted for long-term care who are able to show proof of certain income and asset requirements, waitlist status, and level of care requirements.

Additionally, this bill:

- (1) Establishes provisions for the disenrollment of applicants who are later determined to be ineligible for Medicaid after receiving services during the period of presumptive eligibility, including requiring DHS to reimburse the provider or plan;
- (2) Requires DHS to submit a report to each Legislature beginning with the Regular Session of 2012 and ending with the Regular Session of 2016, regarding costs and issues related to Medicaid presumptive eligibility;
- (3) Requires DHS to conduct a study for a potential computerized system for processing Medicaid applications and submit a report of its findings and recommendations relating to the study to the Legislature prior to the Regular Session of 2012; and
- (4) Appropriates \$200,000 for the 2011-2012 fiscal year to cover the costs of reimbursements to providers or plans for services provided to waitlisted patients who are enrolled but are later determined to be ineligible.

The Chamber of Commerce of Hawaii, Kaiser Permanente Hawaii, The Queen's Medical Center, and the Healthcare Association of Hawaii testified in support of this bill. DHS testified in opposition to this measure. The Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

- (1) Leaving blank the amount appropriated for the 2011-2012 fiscal year reimbursements to providers or plans;
- (2) Changing the effective date to July 1, 2030, 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. 596, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 596, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 723 Finance on H.B. No. 739**

The purpose of this bill is to provide quality care for the elderly and disabled by amending the definition of "community care foster family home" to include the requirement that the primary caregiver must be a Certified Nurse Aide (CNA) and the substitute caregiver must be a Nurse Aide (NA) for community care foster family homes approved for a maximum of three clients.

The Filipino Chamber of Commerce of Hawaii, Alliance of Residential Care Administrators, Filipinos for Affirmative Action, The Primary Care Providers, Lou's Quality Home Health Care Services, LLC, Adult Foster Homecare Association of Hawaii, National Federation of Filipino American Associations, Filipino American Citizens League, Filipino Coalition for Solidarity, and numerous individuals testified in support of this bill. The Department of Human Services (DHS) testified in opposition to this measure. Several concerned individuals provided comments.

Some Filipino NAs who speak English as a second language, while skilled and well trained, experience a language barrier when taking the required 24-hour examination for a CNA license. Your Committee urges DHS to consider language access issues pertaining to the administration of the required 24-hour examination.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 739, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 739, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 724 Finance on H.B. No. 798**

The purpose of this bill as received by your Committee is to assess the general excise tax on the death benefit or other gross income derived from life settlement, bank-owned life, and corporate-owned life insurance policies issued after June 30, 2011. This measure exempts compensation received by an insured for the transfer of a policy or designation of a beneficiary, and death benefits paid to a person related to the insured.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deletes the provisions of the bill and inserts language that imposes the general excise tax only on gross income derived from a life settlement insurance policy by a person unrelated to the insured and exempts any compensation received by an insured for the transfer of the policy or designation of a beneficiary, or any death benefit received by a person related to the insured.

The Department of Taxation supported this bill. The American Council of Life Insurers; Hawaii Bankers Association; Steel Fabricators & Erectors of Hawaii; S and M Welding Co., Ltd.; and a concerned individual opposed this measure. The Tax Foundation of Hawaii, Prudential Financial, and National Association of Insurance and Financial Advisors provided comments.

Your Committee has amended this bill by adopting the proposed draft.

Your Committee has further amended this bill by:

- (1) Replacing the definition for "life settlement insurance policy" with a definition for "life settlement contract";
- (2) Including definitions for "owner" and "provider";
- (3) Extending the imposition of the tax to compensation received by the insured of a life insurance policy for the transfer of the policy to another person or designation of a beneficiary; 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. 798, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 798, H.D. 1.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 725 Finance on H.B. No. 803**

The purpose of this bill is to temporarily:

- (1) Repeal the requirement that \$2,000,000 of tax revenues from the banking industry be deposited into the Compliance Resolution Fund; and
- (2) Authorize the Commissioner of Financial Institutions to adopt rules to impose fees charged to banks and other financial institutions without regard to certain public notice and regulatory review requirements.

The Department of Commerce and Consumer Affairs, USAA, Hawaii Financial Services Association, and the Hawaii Bankers Association opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that temporarily authorize the Commissioner of Financial Institutions to adopt rules to impose fees charged to banks and other financial institutions without regard to certain public notice and regulatory review requirements; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 803, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 803, H.D. 1.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 726 Finance on H.B. No. 879**

The purpose of this bill is to implement the recommendations of the Mortgage Foreclosure Task Force relating to service of notice, conversion from nonjudicial to judicial foreclosure, the bar against deficiency judgments applicable to a mortgagee who completes a foreclosure under power of sale, notice of pendency of action, and extinguishment of a mortgagor's interest.

The Department of Commerce and Consumer Affairs, Hawaii Bankers Association, Hawaii Financial Services Association, and several concerned individuals testified in support of this bill. The Judiciary, Hawaii Association of REALTORS, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Inserting an effective date of July 1, 2030, 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. 879, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 879, H.D. 1.

Signed by all members of the Committee.

**SCRep. 727 Finance on H.B. No. 1043**

The purpose of this bill is to help maintain program levels and service delivery of programs determined to be essential for education, public health, and public welfare by appropriating an unspecified amount of funds from the Hawaii Hurricane Relief Fund to be deposited in the general fund.

The Department of Budget and Finance supported this bill. The Hawaii Independent Insurance Agents Association, Hawaii Association of REALTORS, and Hawaii Hurricane Relief Fund Board opposed this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this bill by:

- (1) Inserting an amount of \$42,000,000 to be appropriated from the Hawaii Hurricane Relief Fund;
- (2) Specifying that the appropriation is for fiscal year 2011-2012;
- (3) Changing the expending agency to the Department of Commerce and Consumer Affairs;
- (4) Changing its effective date to July 1, 2030; 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. 1043, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1043, H.D. 1.

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

**SCRep. 728 Finance on H.B. No. 422**

The purpose of this measure is to apply the solid waste management surcharge to incineration and waste-to-energy facilities that dispose of solid waste within the State and solid waste reduction facilities that collect and prepare solid waste for transport to out-of-state landfills, incineration facilities, and waste-to-energy facilities.

The Department of Health, Hawaii BioEnergy Producers Cooperative, and a concerned individual supported this bill. Honua Power, LLC and PVT Land Company opposed this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 422, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 422, H.D. 2.

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



**SCRep. 729 Finance on H.B. No. 423**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$40,000,000 to assist Carbon Bio-Engineers, Inc., or a partnership in which Carbon Bio-Engineers, Inc. is a general partner, with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Carbon Bio-Engineers, Inc. testified in support of this bill. The Mestizo Association testified in opposition to this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Deleting the total amount authorized for the issuance of special purpose revenue bonds;
- (2) Changing the effective date to July 1, 2030, 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. 423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 423, H.D. 1.

Signed by all members of the Committee except Representatives Har, Jordan, C and Lee.

**SCRep. 730 Finance on H.B. No. 786**

The purpose of this bill is to increase the solid waste management surcharge in an effort to promote public health, provide additional revenue to the Department of Health's environmental management program, and thus enable the Legislature to reduce the general fund subsidy for the program.

Prior to the public hearing on this measure, your Committee circulated a proposed House Draft No. 2, which increases the solid waste management surcharge to 70 cents per ton of solid waste disposed of within the State at permitted or unpermitted solid waste disposal facilities. Your Committee heard and received testimony on this proposed House draft.

The Department of Health supported this bill. Honua Power, LLC, PVT Land Company, and General Contractors Association of Hawaii opposed this bill. The Department of Environmental Services of the City and County of Honolulu provided comments.

Your Committee has amended this bill by:

- (1) Adopting the proposed House Draft No. 2; and
- (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. 786, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 786, H.D. 2.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 731 Finance on H.B. No. 855**

The purpose of this bill is to assist in the development of clean and renewable energy by authorizing \$25,000,000 in special purpose revenue bonds to assist Pacific Power and Water Company, Inc., in the development of hydropower facilities in Hawaii.

Pacific Power and Water Company, Inc. supported this bill. A concerned individual opposed this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Deleting the authorized amount of the special purpose revenue bonds;
- (2) Changing its effective date to July 1, 2030, 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. 855, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 855, H.D. 1.

Signed by all members of the Committee except Representatives Har, Jordan, C and Lee.

**SCRep. 732 Finance on H.B. No. 1286**

The purpose of this bill is to help increase the availability of energy in the form of electricity or biofuels by amending Act 110, Session Laws of Hawaii 2009, which authorized the issuance of special purpose revenue bonds to assist BioEnergy Hawaii, LLC, to establish and operate one or more cogeneration facilities in the State, to broaden the scope of the project to include the production of biofuels, in addition to electricity, and to allow the sale of electric energy or biofuels to refineries serving the public, public agencies, or public facilities.

Pacific Waste, Inc. and a concerned individual supported this bill. A concerned individual opposed this measure. The Department of Budget and Finance provided comments.

Your Committee has amended this measure by:

- (1) Replacing the bond amount with an unspecified amount; and
- (2) Changing its effective date to July 1, 2030, 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. 1286, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1286, H.D. 2.

Signed by all members of the Committee except Representatives Har, Jordan, C and Lee.

**SCRep. 733 Finance on H.B. No. 927**

The purpose of this bill is to improve Hawaii's roads, enable more cost-effective recycling of asphalt pavements, and protect Hawaii's environment by allowing, rather than requiring:

- (1) State agencies to purchase roadway materials with a minimum recycled glass content; and
- (2) All highway and road construction projects funded by the State or a county or roadways accepted as public roads to use a minimum of ten percent crushed glass aggregate for all basecourse and subbase applications.

The City and County of Honolulu Department of Design and Construction supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 927, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 927, H.D. 1.

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

**SCRep. 734 Finance on H.B. No. 1017**

The purpose of this bill is to assist the State in meeting its clean energy goals by expanding the renewable energy facility siting process to include biofuel production facilities and distribution infrastructure with the capacity to produce or distribute 100,000 gallons or more of biofuel annually.

The Department of Business, Economic Development, and Tourism, Hawaii BioEnergy, ILWU Local 142, and Pacific Resource Partnership testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1017, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1017, H.D. 2.

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

**SCRep. 735 Finance on H.B. No. 1019**

The purpose of this bill is to ensure Hawaii's energy and food security by increasing the allocated amounts for energy and food security from the environmental response, energy, and food security tax, more commonly known as the barrel tax.

Specifically, this measure increases the amount of the barrel tax deposited into:

- (1) The Energy Security Special Fund from 15 cents to 45 cents of the tax on each barrel; and

- (2) The Agricultural Development and Food Security Special Fund from 15 cents to 45 cents of the tax on each barrel.

The Department of Business, Economic Development, and Tourism, Department of Agriculture, Hawaii Farm Bureau Federation, Enterprise Honolulu, Oahu Economic Development Board, Sierra Club-Hawaii Chapter, Hawaii BioEnergy Producers Cooperative, and several concerned individuals testified in support of this bill. The University of Hawaii System, Blue Planet Foundation, Tax Foundation of Hawaii, Windward Ahupuaa Alliance, and The Nature Conservancy of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1019, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1019, H.D. 1.

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

**SCRep. 736 Finance on H.B. No. 1239**

The purpose of this bill is to enhance transportation between the Hawaiian Islands, by:

- (1) Establishing the Hawaii State Ferry System Authority to develop the Hawaii State Ferry System that will transport passengers and cargo between the Hawaiian Islands;
- (2) Establishing the Hawaii State Ferry System Special Fund to operate the statewide ferry system; and
- (3) Providing an appropriation for the start-up and operations of the Hawaii State Ferry System.

The Hawaii Farm Bureau Federation testified in support of this bill. Several concerned individuals testified in opposition to this measure. The Department of Transportation and the Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1239, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1239, H.D. 1.

Signed by all members of the Committee.

**SCRep. 737 Finance on H.B. No. 1101**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State motor vehicle registration fee from \$25 to \$45.

DOT testified in support of this bill. The City and County of Honolulu, Hawaii Transportation Association, Tax Foundation of Hawaii, and a concerned individual provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1101, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1101, H.D. 2.

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

**SCRep. 738 Finance on H.B. No. 1568**

The purpose of this bill is to protect Hawaii's natural environment from the threat of invasive species and assist Hawaii's agricultural industry by:

- (1) Requiring the Aloha Tower Development Corporation (ATDC) to provide space, planning and design support, and other infrastructure at the Aloha Tower Complex to the Department of Agriculture (DOA) for biosecurity and inspection facilities to meet the various needs of the agricultural industry;

- (2) Requiring the Department of Transportation (DOT) to provide space, planning and design support, and other infrastructure at Honolulu International Airport, Kona International Airport at Keahole, Hilo International Airport, Kahului Airport, and Lihue Airport to DOA for biosecurity and inspection facilities to meet the various needs of each island's agricultural industry;
- (3) Requiring DOT to provide space, planning and design support, and other infrastructure at Honolulu Harbor, Hilo Harbor, Kawaihae Harbor, Kahului Harbor, and Nawiliwili Harbor for biosecurity and inspection facilities to meet the various needs of each island's agricultural industry; and
- (4) Appropriating funds for DOA to reimburse ATDC and DOT for the establishment of the biosecurity inspection facilities.

The Nature Conservancy of Hawaii, Coordinating Group on Alien Pest Species, Hawaii Crop Improvement Association, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources, DOA, DOT, Hawaii Farm Bureau Federation, Oahu Invasive Species Committee, and Airlines Committee of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the biosecurity and inspection facilities at the Aloha Tower Complex are intended to meet the various needs of Hawaii's agricultural industry;
- (2) Requiring DOT to provide space and infrastructure for the biosecurity and inspection facilities at Hawaii's airports rather than providing the space, planning and design support, and infrastructure to DOA for these facilities;
- (3) Specifying that the biosecurity and inspection facilities at the airports provide for the inspection, consolidation, deconsolidation, and treatment of imported and exported agriculture and other inspected commodities to meet the various needs of each island rather than simply agricultural commodities to meet the needs of each island's agricultural industry;
- (4) Stipulating that an additional purpose of the biosecurity and inspection facilities at the airports is to facilitate the safe movement of enplaned and deplaned air cargo through the airport;
- (5) Requiring DOT to design, construct, and operate the biosecurity and inspection facilities at the airports and harbors and coordinate with other departments in the planning, design, operation of these facilities to ensure effectiveness and efficiency of their operation; and
- (6) Allowing DOT to charge appropriate rent for the use of these facilities.

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 H.B. No. 1568, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1568, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 739 Finance on H.B. No. 1102**

The purpose of this bill is to improve the Department of Transportation's ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the state vehicle weight tax and appropriating an unspecified sum from the State Highway Fund.

The Department of Taxation supported this bill. The Hawaii Transportation Association opposed this bill. The City and County of Honolulu Department of Customer Services, the Tax Foundation of Hawaii, and a concerned individual offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1102, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1102, H.D. 2.

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

**SCRep. 740 Finance on H.B. No. 993**

The purpose of this bill is to develop alternative means of transportation between islands in the State by:

- (1) Establishing the Hawaii Marine Highway System (System);
- (2) Requiring the Department of Transportation (DOT) to administer the System by:
  - (A) Developing a comprehensive long-range plan for the development and improvement of the System;

- (B) Constructing, purchasing, or leasing ferry terminal facilities throughout the State; and
  - (C) Repairing and maintaining ferry terminal facilities throughout the State;
- and
- (3) Creating the Hawaii Marine Highway System Fund within the state treasury, which funds are to be used for the operation and maintenance of the System.

DOT, Department of Budget and Finance, and a concerned individual provided comments on this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 993, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 993, H.D. 1.

Signed by all members of the Committee.

**SCRep. 741 Finance on H.B. No. 1100**

The purpose of this bill is to continue the revenue stream for airport improvement projects by ensuring that the Department of Transportation (DOT) is able to collect the maximum Passenger Facility Charge rate allowed by the Federal Aviation Administration.

DOT testified in support of this bill. The Tax Foundation of Hawaii provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1100, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1100, H.D. 1.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 742 Finance on H.B. No. 1097**

The purpose of this bill is to maintain one source of revenue stream for the State Highway Fund by permanently increasing the rental motor vehicle surcharge tax from \$2 to \$3 per day.

The Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1097, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1097, H.D. 1.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 743 Finance on H.B. No. 550**

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 (PEG) access organizations, the Hawaii Public Television Foundation, and DCCA's Cable Television Division and submit a report to the Legislature;
- (2) Directing the Auditor to contract for a performance review or audit of Olelo Community Television; and
- (3) Appropriating unspecified funds from DCCA's Compliance Resolution Fund for the contracted performance review or audit.

DCCA and Olelo Community Media provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 550, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 550, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 744 Finance on H.B. No. 823**

The purpose of this bill is to redistribute administrative surcharge amounts between the Judiciary and General Fund, specifically by reallocating fees collected from certain administrative processing costs to the Judiciary Computer System Special Fund, and the General Fund.

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. 823, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 745 Finance on H.B. No. 916**

The purpose of this bill is to assist with and improve the administration of the parking program for persons with disabilities by:

- (1) Creating an Accessible Parking Special Account (Special Account) within the Disability and Communication Access Board Special Fund;
- (2) Increasing the state vehicle registration fee by \$1 and requiring that the additional \$1 to be deposited into the Special Account; and
- (3) Requiring all costs associated with the statewide parking program for persons with disabilities to be appropriated from the Special Account beginning July 1, 2012.

The Department of Transportation, the Disability and Communication Access Board, and several concerned individuals supported this bill. A concerned individual opposed this bill. The City and County of Honolulu Department of Customer Services offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 916 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 746 Finance on H.B. No. 775**

The purpose of this bill is to assist the State in meeting its budgetary needs by requiring funds in the defunct Photo Enforcement Revolving Fund to be transferred 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 H.B. No. 775 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 747 Finance on H.B. No. 1435**

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

- (1) Retroactively allows persons arrested for a repeated violation of the offense of operating a vehicle under the influence of an intoxicant (OVUII repeat offender) after December 31, 2010, to request the return of any motor vehicle registration and number plates required to be surrendered;
- (2) Requires return of the motor vehicle registered and number plates to individuals covered by (1) above making such a request, with certain exceptions;
- (3) Allows the OVUII repeat offender covered by (1) above to apply for an ignition interlock permit upon return of the motor vehicle registration and number plates;

- (4) Removes motor vehicle registration revocation and surrender of number plates requirements for cars owned by OVUII repeat offenders to permit these individuals to install an ignition interlock device in their vehicles;
- (5) Deletes provisions allowing the Administrative Director of the Courts to grant a special motor vehicle registration to certain individuals upon the determination that the individual is completely dependent on the motor vehicle for the necessities of life, as this language is no longer necessary;
- (6) Removes language stipulating certain specific costs which the \$30 fee for an administrative hearing would be used to pay for;
- (7) Repeals language requiring that the revocation of a motor vehicle registration under the Interlock Law be electronically entered into the motor vehicle registration file;
- (8) Deletes language providing criteria for re-registration of a motor vehicle whose registration was administratively revoked under the Interlock Law;
- (9) Prohibits ignition interlock permits to be issued to any defendant who holds a learner's permit;
- (10) Allows an individual who has had their license to operate a motor vehicle revoked for life to be eligible for a temporary permit to drive if certain conditions are met, including the installation of an ignition interlock device on their vehicle;
- (11) Establishes various time-periods required for an ignition interlock device to be installed in the vehicle of an individual under (11) above depending on how long the individual has been without a license to operate a motor vehicle;
- (12) Allows for an individual covered under (11) above to be eligible for relicensing after certain requirements are met and the temporary permit expires; and
- (13) Repeals unnecessary statutory provisions relating to special series number plates, failure to surrender number plates, special motor vehicle registration, and prohibitions governing the transfer of title to, or ownership of interest in, a motor vehicle.

The City and County of Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, and a concerned individual supported this bill. The Department of Health, the Ignition Interlock Task Force, and Mothers Against Drunk Driving opposed this bill. The Administrative Driver's License Revocation Office 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 H.B. No. 1435, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 748 Finance on H.B. No. 1322**

The purpose of this bill is to help create increased efficiency in the use and management of certain funds of the University of Hawaii (UH) by reclassifying and repealing certain revolving and special funds.

UH supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1322, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1322, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 749 Finance on H.B. No. 1327**

The purpose of this bill is to help increase the efficiency of the University of Hawaii Board of Regents by allowing the election of up to two vice-chairpersons and requiring that the chairperson and vice-chairpersons be elected at a meeting preceding July 1. This measure also makes housekeeping amendments.

The University of Hawaii Board of Regents supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1327, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1327, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 750 Finance on H.B. No. 1457**

The purpose of this bill is to ensure that state funds are being used in a fiscally responsible manner by:

- (1) Requiring the University of Hawaii (UH) to annually report to the Director of Finance on the number of students who have sufficient credits to graduate, but have not graduated and the additional cost to UH attributable to each of these students; and
- (2) Requiring the Director of Finance to assess UH for the corresponding additional cost to the State.

UH opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1457, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1457, H.D. 1.

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

**SCRep. 751 Finance on H.B. No. 1603**

The purpose of this bill is to provide the University of Hawaii (UH) with the additional financial flexibility it needs to continue to improve and maintain its facilities by:

- (1) Authorizing UH to issue an additional \$100,000,000 in revenue bonds; and
- (2) Appropriating \$100,000,000 in revenue bond proceeds for fiscal year 2011-2012.

UH testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing both the authorized amount of additional revenue bonds to be issued and the amount of revenue bond proceeds appropriated from \$100,000,000 to unspecified amounts;
- (2) Changing the effective date to July 1, 2030, 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. 1603, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1603, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 752 Finance on H.B. No. 338**

The purpose of this bill is to allow the student member on the Board of Education a more equal voice by setting the terms and conditions for a student voting member on the elected Board of Education.

Imua Alliance, a member of the Board of Education, the student member of the Board of Education, and a multitude of concerned individuals supported this bill. Several concerned individuals provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 338, H.D. 2.

Signed by all members of the Committee.



**SCRep. 753 Finance on H.B. No. 625**

The purpose of this bill is to help ensure that state land is used for the best possible purpose by:

- (1) Requiring land and facilities under the jurisdiction of the Department of Education (DOE) that are not being used for school purposes to be transferred to the Department of Land and Natural Resources (DLNR); and
- (2) Making the land and facilities available for alternative use by charter schools or certain other education programs, or the county where the land or building is located.

This bill also requires DOE to consult with the Board of Land and Natural Resources prior to the final transfer of land.

DOE, the Charter School Administrative Office, University of Hawaii at Manoa College of Education, Hawaii Charter Schools Network, Hawaii Technology Academy, Hookakoo Corporation, and a concerned individual supported this bill. DLNR provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 625, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 625, H.D. 3.

Signed by all members of the Committee.

**SCRep. 754 Finance on H.B. No. 773**

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 Saint Louis School to finance or refinance the planning, construction, improvement, and equipping of its educational facilities.

Chaminade University, Hawaii Association of Independent Schools, and several individuals testified in support of this bill. The Mestizo Association testified in opposition to this measure. A concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, and deleting the amount of the authorization, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 773, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 773, H.D. 1.

Signed by all members of the Committee except Representatives Har, Jordan, C and Lee.

**SCRep. 755 Finance on H.B. No. 1055**

The purpose of this bill is to reallocate classroom time toward educational priorities that are in line with newly-adopted national standards by repealing the inclusion of norm-referenced tests in the state-wide assessment program.

The Department of Education supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1055, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1055, H.D. 1.

Signed by all members of the Committee.

**SCRep. 756 Finance on H.B. No. 1056**

The purpose of this bill is to help satisfy federal Race to the Top requirements by permitting the Department of Education (DOE) to determine alternative routes to certification for principals and vice-principals.

DOE and the Imua Alliance supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1056, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1056, H.D. 1.

Signed by all members of the Committee.

**SCRep. 757 Finance on H.B. No. 1313**

The purpose of this bill is to assist Windward Nazarene Academy, a Hawaii not-for-profit corporation, with the planning, construction, improvement, equipping, and renovation of its educational facilities by authorizing the issuance of \$15,000,000 in special purpose revenue bonds.

The Hawaii Association of Independent Schools and several concerned individuals supported this bill. The Mestizo Association opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the authorized amount of the special purpose revenue bonds;
- (2) Changing its effective date to July 1, 2030, 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. 1313, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1313, H.D. 2.

Signed by all members of the Committee except Representatives Har, Ichiyama, Jordan, C. Lee and Yamashita.

**SCRep. 758 Finance on H.B. No. 1058**

The purpose of this bill is to allow agencies increased flexibility and resources to upgrade, improve, and replace technology as necessary by including agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investments.

The Department of Accounting and General Services, Department of Budget and Finance, and Department of Education supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1058, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1058, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 759 Finance on H.B. No. 908**

The purpose of this bill is to provide greater flexibility for certain public schools by providing that the single school calendar required for all public schools will not apply to schools designated by the Board of Education in furtherance of a plan to improve educational outcomes in students.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 908 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 760 Finance on H.B. No. 830**

The purpose of this bill is to repeal state authorization for a not-for-profit corporation to function as a secondary market student loan purchaser in Hawaii, in accordance with federal regulations passed in 2010 that terminated new student loan originations by private entities.

American Savings Bank and several concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 830 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 761 Finance on H.B. No. 1323**

The purpose of this bill is to authorize the Hawaii Western Interstate Commission for Higher Education to establish a repayment policy for students who receive legislative funding for the Hawaii Professional Student Exchange Program.

The Department of Budget and Finance and the Western Interstate Commission for Higher Education 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. 1323, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 762 Finance on H.B. No. 121**

The purpose of this bill is to help support the provision of humanitarian emergency services, emergency warning services, and post-disaster recovery operations by appropriating funds for the operational expenses of the Hawaii Civil Air Patrol.

The 66<sup>th</sup> Composite Squadron Civil Air Patrol and 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 121, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 763 Finance on H.B. No. 130**

The purpose of this bill is to assist female inmates to successfully transition and reintegrate back into the community by requiring the Department of Public Safety (PSD) to determine the number of eligible women and contract with providers of gender-responsive community services to provide an array of services to assist these women. This measure also appropriates funds for these purposes.

The Drug Policy Action Group, Hawaii Substance Abuse Coalition, The Drug Policy Forum of Hawaii, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, a Councilmember of the Maui County Council, and several concerned individuals supported this bill. PSD 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. 130, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 764 Finance on H.B. No. 461**

The purpose of this bill is to ensure the ability of members of the military and other eligible voters who are overseas to participate in all elections for federal, state, and local offices by enacting the Uniform Military and Overseas Voters Act.

The Department of Defense, The Chamber of Commerce of Hawaii, and the Commission to Promote Uniform Legislation testified in support of this bill. The Office of Elections, Office of the City Clerk of the City and County of Honolulu, and Office of the County Clerk of the County of Maui 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. 461, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 765 Finance on H.B. No. 277**

The purpose of this bill is to:

- (1) Designate a nonprofit corporation as the state liaison in matters relating to the military, and to provide oversight for the military's presence in Hawaii and the impact that defense spending has on Hawaii's economy; and
- (2) Establish the Military Affairs Liaison Trust Fund as a separate fund of the nonprofit corporation to support the nonprofit corporation in its duties as the state liaison in matters relating to the military.

The Department of Defense and The Chamber of Commerce of Hawaii supported this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Adding a provision that requires an audit of the Military Affairs Liaison Trust Fund;
- (2) Ensuring the Legislature receives a copy of the audit; and
- (3) Changing the effective date to July 1, 2030, 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. 277, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 277, H.D. 2.

Signed by all members of the Committee.

**SCRep. 766 Finance on H.B. No. 492**

The purpose of this bill is to help protect the public safety and security by, among other things, requiring the Department of Public Safety (PSD) to develop and implement a comprehensive strategic plan to correct deficiencies in the Sheriff Division as reported by the Auditor. This measure also requires PSD to perform a risk assessment of each section of the Sheriff Division.

The Hawaii Government Employees Association and many concerned individuals supported this bill. PSD 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. 492, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 492, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 767 Finance on H.B. No. 605**

The purpose of this bill is to assist the State Fire Council (SFC) in carrying out its statutory duties by:

- (1) Establishing the Reduced Ignition Propensity Cigarette Program Special Fund (Fund);
- (2) Stipulating the funding mechanism for the Fund;
- (3) Requiring moneys in the Fund to be used to defray the costs of implementing the requirements of Hawaii's Reduced Ignition Propensity Cigarette Law, including employing a full-time administrator and full-time assistant; and
- (4) Establishing the duties of the full-time administrator and full-time assistant administrator.

The Department of Budget and Finance testified in opposition to this bill. The Honolulu Fire Department, SFC, Department of Fire and Public Safety of the County of Maui, Kauai Fire Department, and Coalition for a Tobacco Free Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the full-time administrator and full-time assistant administrator, among other things, are required to:
  - (A) Simply receive the certifications for approximately 600 different brands and styles of cigarettes from the manufacturers, and are not required to verify and approve these certifications;
  - (B) Compile a list of the cigarette brands and styles for which manufacturers have submitted certifications rather than just a list of approved brands;
  - (C) Post the list of certified brands and styles on a state website for informational purposes only; and
  - (D) Submit certified cigarettes to an accredited laboratory for testing to verify that performance standards have been met rather than simply submitting compliance tests to the laboratory;
- (2) Adding language authorizing the SFC to take into consideration costs associated with administration, staffing, and inspection requirements when annually adjusting fees to ensure that actual costs associated with the statutory requirements of Hawaii's Reduced Ignition Propensity Cigarette law are defrayed;
- (3) Changing its effective date to July 1, 2030, 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. 605, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 605, H.D. 2.

Signed by all members of the Committee.

**SCRep. 768 Finance on H.B. No. 1000**

The purpose of this bill is to update the Enhanced 911 Services law and render it more effective by, among other things:

- (1) Clarifying that the law pertains to communications services and is not limited to wireless services;
- (2) Changing the name of the Wireless Enhanced 911 Board to the Enhanced 911 Board and expanding its membership;
- (3) Requiring the Governor to appoint a State 911 Coordinator;
- (4) Changing the name of the Wireless Enhanced 911 Fund to the Enhanced 911 Fund and clarifying its uses; and
- (5) Exempting connections of local exchange carriers providing land line enhanced 911 services from the monthly enhanced 911 surcharge.

The Department of Accounting and General Services, City and County of Honolulu Department of Information Technology, Honolulu Police Department, Maui Police Department, Hawaii Police Department, Honolulu Fire Department, Kauai Fire Department, State Fire Council, Wireless Enhanced 911 Board, General Motors, and a member of the Wireless Enhanced 911 board supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1000, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1000, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 769 Finance on H.B. No. 1088**

The purpose of this bill is to enable the Department of Public Safety (PSD) to render necessary medical and mental health treatment to inmates and detainees in its custody when those inmates or detainees refuse treatment.

PSD testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1088, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1088, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 770 Finance on H.B. No. 491**

The purpose of this bill is to require the Department of Public Safety (PSD) to seek and obtain accreditation for its Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc. by December 1, 2014.

The Sheriff Division-Maui Section and numerous concerned individuals testified in support of this bill. PSD and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Deleting the date by which accreditation must be obtained; and
- (2) Changing its effective date to July 1, 2030, 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. 491, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 491, H.D. 1.

Signed by all members of the Committee.

**SCRep. 771 Finance on H.B. No. 1109**

The purpose of this bill is to allow an employee with a family member in the United States Armed Forces, who is on active duty or has been notified of a call to active duty to support a contingency operation, to use family leave.

Your Committee notes that the bill requires the Director of Labor and Industrial Relations, in consultation with the Department of Defense, to adopt administrative rules to implement the foregoing provisions.

The Department of Labor and Industrial Relations testified in support of this bill. The Department of Human Resources Development submitted comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, to facilitate continued 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. 1109, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1109, H.D. 1.

Signed by all members of the Committee.

**SCRep. 772 Finance on H.B. No. 1622**

The purpose of this bill is to require the construction of a state law enforcement memorial in the Capitol District, provided private funds are solicited and used for the construction of the memorial.

A concerned individual testified in support of this bill. Historic Hawai'i Foundation testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Placing the provision regarding the construction of the state law enforcement memorial in Session Laws of Hawaii, rather than the Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1622, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1622, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 773 Finance on H.B. No. 1035**

The purpose of this bill is to assist the Employees' Retirement System (ERS) in improving and protecting its funded status by placing a moratorium on the enhancement of ERS benefits until the system's funded ratio is one hundred per cent.

The Department of Budget and Finance, the Employees' Retirement System, and the Imua Alliance supported this bill. Several concerned individuals opposed this bill. A concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1035, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 774 Finance on H.B. No. 884**

The purpose of this bill is to allow family leave time to be used to care for a sibling, meaning a biological or adoptive brother or sister.

The Department of Labor and Industrial Relations; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and a concerned individual testified in support of this bill. The Department of Human Resources Development and a concerned individual provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 884, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 775 Finance on H.B. No. 1243**

The purpose of this bill is to help mitigate unreasonable increases in the cost of prescription drugs, including repackaged prescription drugs and compound medications in Hawaii's workers' compensation insurance system by providing reasonable restrictions on markups similar to those currently authorized for retail pharmacies under state law.

The Department of Human Resources Development, Hawaii Insurers Council, Hawaii Employers' Mutual Insurance Company, Inc., and Property Casualty Insurers Association of America testified in support of this bill. Automated HealthCare Solutions, Quality Care Products, LLC, Hawaii Injured Worker's Alliance, and several concerned individuals testified in opposition to 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. 1243, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 776 Finance on H.B. No. 169**

The purpose of this bill is to address unemployment in the State by:

- (1) Establishing an optional total unemployment rate trigger that will enable the State to access federal extended benefits to allow unemployed workers to receive unemployment benefits for an additional 13 weeks beyond that provided by the State; and
- (2) Appropriating \$145,000 for fiscal year 2011-2012 for an automated extended benefit claims system.

ILWU Local 142 and Hawaii State AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, and changing the appropriation to an unspecified amount, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 169, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 169, H.D. 2.

Signed by all members of the Committee.

**SCRep. 777 Finance on H.B. No. 174**

The purpose of this bill is to improve the representation on the Board of Trustees of the Employees' Retirement System (ERS Board) by increasing the ERS Board membership from eight members to ten members, to include:

- (1) An additional member who is a general employee; and
- (2) A member who is appointed by unanimous agreement of the county mayors and approved by the Hawaii State Association of Counties (HSAC), subject to the advice and consent of the Senate in the same manner as trustees who are appointed by the governor.

The City and County of Honolulu Departments of Budget and Fiscal Services and Human Resources, HSAC, and the HSAC Treasurer testified in support of this bill. The ERS Board opposed this measure. The Department of Budget and Finance commented on this measure.

Your Committee has amended this bill by:

- (1) Requiring the counties to be responsible for all necessary expenses, including travel, board, and lodging expenses, and any other costs, incurred in the performance of the member of the counties' duties;
- (2) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (3) Making a technical, nonsubstantive amendment for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 174, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 174, H.D. 1.

Signed by all members of the Committee.

**SCRep. 778 Finance on H.B. No. 175**

The purpose of this bill is to provide county representation on the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF Board) by requiring that one of the EUTF Board trustees be appointed by the mayors and be approved by the Hawaii State Association of Counties (HSAC).

HSAC, the Departments of Budget and Fiscal Services and Human Resources of the City and County of Honolulu, and the treasurer of HSAC testified in support of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 175, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 175, H.D. 2.

Signed by all members of the Committee.

**SCRep. 779 Finance on H.B. No. 466**

The purpose of this bill is to improve the fairness of the workers compensation system and provide better quality care for those workers hurt on the job by requiring independent medical examinations and permanent impairment rating examinations for workers' compensation claims to be performed by physicians mutually agreed upon by employers and employees or appointed by the Director of Labor and Industrial Relations.

The Department of Labor and Industrial Relations (DLIR), ILWU Local 142, Hawaii State AFL-CIO, Hawaii Injured Worker's Alliance, Hawaii Chapter – American Physical Therapy Association, Workstar Injury Recovery Center, and numerous concerned individuals testified in support of this bill. The City and County of Honolulu Department of Human Resources, The Chamber of Commerce of Hawaii; Maui Chamber of Commerce; Activities & Attractions Association of Hawaii; General Contractors Association of Hawaii; Inalab, Inc.; Technical Experts, Inc.; Kilakila Employer Services; National Federation of Independent Business Hawaii; Retail Merchants of Hawaii; Hawaii Insurers Council; Hawaii Independent Insurance Agents Association; Society for Human Resource Management–Hawaii Chapter; HJB Convenience Corporation; Westaff Hawaii; Hawaiian Electric Co. Inc.; Maui Electric Company, LTD.; Hawaii Electric Light Company, Inc.; Property Casualty Insurers Association of America; Hawaii Employers' Mutual Insurance Company, Inc.; Eagle Construction Company; Tawhiri Power, and numerous concerned individuals testified in opposition to this measure. The Department of Human Resources Development and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation for three workers' compensation hearing officer positions and two office assistant positions in DLIR from \$194,000 to an unspecified amount;
- (2) Inserting a provision repealing this measure in two years with a sunset date of June 30, 2013;
- (3) Changing its effective date to July 1, 2030, 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. 466, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 466, H.D. 3.

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

**SCRep. 780 Finance on H.B. No. 527**

The purpose of this bill, as received by your Committee, is to disallow workers' compensation claims for injuries or illness incurred by an employee from voluntary participation in any activity, the major purpose of which is social or recreational, whether or not the employer pays some or all of the cost of the activity.

The City and County of Honolulu, Retail Merchants of Hawaii, Outrigger Hotels Hawaii, and a concerned individual testified in support of this bill. The Department of Labor and Industrial Relations and ILWU Local 142 testified in opposition to this measure.

Upon consideration, your Committee has amended this bill by deleting its substance and inserting the provisions in H.B. No. 527, the purpose of which is to disallow workers' compensation claims for the exacerbation of existing work-related injury through voluntary participation in recreational or social activity that takes place after regular work hours, and where the employee disregards the restrictions placed on the employee's physical activity in the activities, by the attending physician. Your Committee also amended this bill by changing its effective date to July 1, 2030, to encourage continued 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. 527, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 527, H.D. 2.

Signed by all members of the Committee.

**SCRep. 781 Finance on H.B. No. 587**

The purpose of this bill is to allow each county to appoint and remove its liquor administrator by establishing that a liquor administrator shall be appointed and may be removed by the Liquor Commission unless otherwise prescribed by the charter of each county.

The Mayor of the City and County of Honolulu and a Councilmember of the Kauai County Council supported this bill. A concerned individual opposed this measure.

Your Committee has amended this measure by:



- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 587, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 587, H.D. 2.

Signed by all members of the Committee.

**SCRep. 782 Finance on H.B. No. 1036**

The purpose of this bill is to protect the status of the Employees' Retirement System (ERS) as a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code (IRC) by adding a new section to Hawaii's ERS law to include provisions required by federal law. Among other things, this bill:

- (1) Inserts specific language into Hawaii's ERS law that addresses the requirements contained in the Heroes Earnings Assistance and Relief Tax Act of 2008 requiring a tax-qualified retirement plan to provide the survivors of a member with any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the member's ERS plan had the member resumed and then terminated employment on account of death in the case of a member who dies while performing qualified military service; and
- (2) Establishes the requirements for minimum pension distributions in accordance with section 401(a)(9) of the IRC.

The ERS Board of Trustees 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. 1036, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1036, H.D. 1.

Signed by all members of the Committee.

**SCRep. 783 Finance on H.B. No. 1076**

The purpose of this bill is to specify that funds received by the State from the 2009 special administrative transfer be used solely for the payment of the administrative expenses arising from Hawaii's Employment Security Law, Chapter 383, Hawaii Revised Statutes (HRS).

The Department of Labor and Industrial Relations testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1076, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1076, H.D. 1.

Signed by all members of the Committee.

**SCRep. 784 Finance on H.B. No. 1268**

The purpose of this bill is to require the Hawaii Employer-Union Health Benefits Trust Fund board, when contracting for health benefits plans, to contract only with carriers that provide or administer prescription drug coverage together with medical benefits.

The Department of Budget and Finance and several concerned individuals testified in opposition to this bill. The Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1268, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1268, H.D. 1.

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

**SCRep. 785 Finance on H.B. No. 1434**

The purpose of this bill, as received by your Committee, is to specify that:

- (1) A first, second, third, fourth, fifth, or sixth violation refers to each project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the prevailing wage law; and
- (2) A contractor who commits a violation has a right to file a written notice of appeal, which shall be an affirmative defense that the violation occurred unintentionally.

International Longshore and Warehouse Union Local 142 and the International Brotherhood of Electrical Workers Local 1260 testified in support of this bill. The General Contractors Association of Hawaii opposed this measure. DLIR, the International Brotherhood of Electrical Workers Local Union 1186, and Hawaii State AFL-CIO submitted comments.

Upon consideration, your Committee has amended this bill by deleting its substance and inserting the contents of H.B. No. 1134, which specifies that a first, second, or third violation refers to each project in which DLIR finds that a contractor has failed to comply with the prevailing wage law.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1434, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1434, H.D. 2.

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

**SCRep. 786 Finance on H.B. No. 960**

The purpose of this bill is to encourage the development of low-income housing by:

- (1) Providing affordable housing developers with sufficient equity to finance construction; and
- (2) Decreasing the funding uncertainty inherent in the current tax syndication system.

To this end, the bill establishes a program for granting low-income housing tax credit loans administered by the Hawaii Housing Finance and Development Corporation (HHFDC), in lieu of low-income housing tax credits, and authorizes the issuance of general obligation bonds to fund the low-income housing tax credit loans.

HHFDC; the City and County of Honolulu Department of Community Services; the Roman Catholic Diocese of Honolulu; Catholic Charities Hawaii; Hawaii Association of REALTORS; Land Use Research Foundation of Hawaii; Stanford Carr Development, LLC; Miyabara Associates LLC; Master Sheet Metal, Inc.; and Albert C. Kobayashi, Inc., submitted testimony in support of this bill. The Tax Foundation of Hawaii and Department of Taxation offered comments on this measure.

At the State level, interest in the low-income housing tax credit waned when other more generous credits became available. To reinvigorate the use of these low-income housing tax credits, this measure attempts to provide a state subsidy in the form of a loan program equal to an unspecified amount of the cash value of the credits. However, creating loans based on credits may lead to a situation where many of the smaller developers of low-income housing this bill seeks to assist may find themselves out of business for the next ten years, as the Kuhio Park Terrace housing project will use most of the State's volume-capped low-income housing tax credits during that period. Thus, the loans proposed by this measure will go toward the renovation of Kuhio Park Terrace rather than developing privately held affordable housing. Therefore, as this bill continues in the legislative process, interested stakeholders may wish to consider a move similar to the one at the federal level to provide cash grants given out for the volume capped 9% credits.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 960, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 787 Finance on H.B. No. 898**

The purpose of this bill is to extend to December 31, 2012, the lapse date of funds appropriated from the Emergency and Budget Reserve Fund for the development and implementation of the Housing First Pilot Program for chronically homeless individuals.

The Hawaii Family Forum, Hawaii Catholic Conference, Catholic Charities Hawaii, Diocese of Honolulu, and Helping Hands Hawaii testified in support of this bill. Partners In Care provided comments on this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to June 29, 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. 898, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 898, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 788 Finance on H.B. No. 70**

The purpose of this bill is to establish a return-to-home program within the Department of Human Services (DHS), to provide eligible homeless individuals with assistance in being reunited with family and relatives in the individual's home state.

The Roman Catholic Church in the State of Hawaii and several concerned individuals testified in support of this bill. DHS, Help the Hawaii Homeless, and Windward Northshore Homeless Coalition provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 70, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 70, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 789 Finance on H.B. No. 1306**

The purpose of this bill is to provide for the development of affordable housing in a transparent and fiscally responsible manner by, among other things:

- (1) Eliminating the exemption from general excise and receipts taxes for county affordable housing projects;
- (2) Requiring that every claim for a general excise tax exemption for qualified affordable housing projects be reviewed by the Hawaii Housing Finance and Development Corporation (HHFDC) and the Department of Taxation (DOTAX) prior to initial or renewal certification;
- (3) Requiring that certifications of a general excise tax exemption for qualified affordable housing projects be renewed every four years;
- (4) Authorizing the Auditor, at the direction of the Legislature, to audit any certified general excise tax exemption for qualified affordable housing projects;
- (5) Requiring DOTAX to maintain an annual and cumulative record of all general excise tax exemptions granted to qualified affordable housing projects; and
- (6) Diverting program fees charged by HHFDC in connection with the approval and certification of affordable housing general excise tax exemptions from the Dwelling Unit Revolving Fund to the Rental Housing Trust Fund.

Several concerned individuals supported this bill. HHFDC, DOTAX, Kauai County Housing Agency, Tax Foundation of Hawaii, and Hawaii Association of REALTORS provided comments.

Your Committee has amended this bill by:

- (1) Restoring the program fees to the Dwelling Unit Revolving Fund;
- (2) Making its provisions applicable to taxable years beginning after December 31, 2011;
- (3) Removing provisions that make public all records maintained in association with the HHFDC affordable housing general excise tax exemption;
- (4) Providing that by claiming the general excise tax exemption for a qualified affordable housing project, a taxpayer consents to the public disclosure of the taxpayer's name and status as a claimant;
- (5) Changing its effective date to July 1, 2030, 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. 1306, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1306, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 790 Finance on H.B. No. 382**

The purpose of this bill is to provide the Auditor with the tools necessary to conduct the Auditor's statutory and constitutional responsibilities. Specifically, this measure:

- (1) Provides explicit authority to the Auditor to inspect all accounts, books, records, files, papers, and documents and all financial affairs of the Department of Taxation (DOTAX);
- (2) Requires the Auditor to implement internal policies to protect the confidentiality of private personal information contained in tax returns; and
- (3) Provides identical penalty provisions applicable to employees of DOTAX for disclosure of tax information to the Auditor or Auditor's agent.

The Auditor testified in support of this bill. DOTAX and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 382, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 382, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 791 Finance on H.B. No. 250**

The purpose of this bill is to allow the Hawaii State Ethics Commission (Commission) to employ or retain the services of an attorney for the purpose of representing the State or Commission in any litigation, rendering legal counsel to the Commission, or drafting legal documents for the Commission.

The Commission 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. 250 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 792 Finance on H.B. No. 1012**

The purpose of this bill is to support the Department of the Attorney General (AG) in its efforts in planning and preparing for the Asia-Pacific Economic Cooperation (APEC) Leaders Meeting by appropriating an unspecified amount of funds to the AG for operating expenses relating to the planning and operation of security services and other activities for the 2011 APEC meeting in Honolulu.

The AG 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. 1012, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 793 Finance on H.B. No. 1384**

The purpose of this bill is to improve the delivery of health care and assist patients in receiving their medications in a timely manner by requiring the John A. Burns School of Medicine to:

- (1) Convene a working group to discuss potential improvements to the current prior authorization process for prescription medications, which requires that physicians obtain approval from a health insurance carrier to prescribe a specific medication for their patients; and
- (2) Submit a report to the Legislature of the proceedings held and recommendations and results of implementing this measure.

The Hawaii Medical Association, AlohaCare, American Cancer Society, Neuropathy Action Foundation, The Alliance for Plasma Therapies, Faith Action for Community Equity, and Power of Pain Foundation supported this bill. The Hawaii Medical Service Association, Department of Human Services, Ohana Health Plan, 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. 1384, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 794 Finance on H.B. No. 889**

The purpose of this bill is to ensure that Hawaii is consistent with federal agency efforts to control healthcare-associated infections by:

- (1) Requiring healthcare facilities in the State that are certified by the Centers for Medicare and Medicaid Services to report healthcare-associated infections to the Centers for Disease Control and Prevention's National Healthcare Safety Network (Network);
- (2) Authorizing the Department of Health (DOH) to adopt rules to require healthcare-associated infections that are multi-drug resistant to be reported to DOH through the Network;
- (3) Beginning June 30, 2013, requiring DOH to prepare an annual public report on information pertaining to healthcare-associated infections in the State for the previous calendar year; and
- (4) Requiring DOH to submit a report on healthcare-associated infection reporting to the Legislature prior to the convening of the 2012 Regular Session.

DOH, the Healthcare Association of Hawaii, and the Association for Professionals in Infection Control and Epidemiology-Hawai'i 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. 889, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 795 Finance on H.B. No. 326**

The purpose of this bill is to ensure for two years that Medicaid and QUEST health plans have the flexibility to provide appropriate health services through various means by specifying that:

- (1) A health plan under the Department of Human Services' (DHS) Medicaid or QUEST program does not require:
  - (A) Approval to deliver services using a telehealth service; or
  - (B) In-person visits to qualify any telehealth service for coverage; and
- (2) The mobile medical van program operating in a county with a population of less than 250,000 people and operated by Kona Community Hospital shall be funded through a partnership with a nonprofit mutual benefit society operating in the State that provides health care coverage to at least 600,000 members.

This measure also defines telehealth.

The Kona Community Hospital and Hawaii Association of Health Plans supported this bill. The Department of Human Services opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 326, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 796 Finance on H.B. No. 1201**

The purpose of this bill is to allow the State to conform to new federal regulations under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, in a manner consistent with local practice, by establishing a private, nonprofit Hawaii Health Benefit Exchange to facilitate the purchase and sale of qualified health plans.

Hawaii Medical Association; Healthcare Association of Hawaii; American Cancer Society Hawaii Pacific, Inc.; AARP Hawaii; Hawaii Medical Service Association; and a concerned individual supported this bill. The Department of Human Services, State Insurance Commissioner, and the American Family Life Assurance Company of Columbus 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. 1201, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 797 Finance on H.B. No. 561**

The purpose of this bill is to ensure that government-funded health care services are only being provided to those in need by:

- (1) Requiring QUEST or QUEST-net contracted health plans to notify the Department of Human Services (DHS) when members are found to be receiving coverage under a private plan as well; and
- (2) Stipulating that when a person covered by insurance through QUEST or QUEST-net also has health insurance coverage through a private health insurance plan, the private health insurance plan shall be the primary payor of any covered claims.

AlohaCare opposed this bill. DHS 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. 561, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 798 Finance on H.B. No. 260**

The purpose of this bill is to improve management and oversight of contracts relating to county public transit by making the director of a county semi-autonomous public transit agency the chief procurement officer for that agency.

The City and County of Honolulu Department of Transportation Services 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. 260, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 799 Finance on H.B. No. 383**

The purpose of this bill is to extend the sunset date of the Legislative Federal Economic Stimulus Program Oversight Commission (Commission) from June 30, 2011, to December 31, 2011.

The Commission 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. 383 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 800 Finance on H.B. No. 667**

The purpose of this bill is to streamline permitting and licensing requirements for the production and processing of food, by requiring:

- (1) The Department of Health (DOH), with the cooperation of the Department of Agriculture (DOA) and the Department of Business, Economic Development, and Tourism (DBEDT), to develop a detailed action plan to simplify and consolidate permitting and licensing requirements for the production and processing of food, by food production and processing facilities; and
- (2) DOH to submit a report of its actions to the Legislature prior to the convening of the 2012 Regular Session.

DOA and the Land Use Research Foundation of Hawaii testified in support of this bill. DOH opposed this measure. DBEDT and the Hawaii Farm Bureau Federation commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 801 Finance on H.B. No. 1307**

The purpose of this bill is to stimulate construction activity in Hawaii by establishing a temporary residential construction and remodeling tax credit.

Hawaii Association of REALTORS, the Building Industry Association of Hawaii, General Contractors Association of Hawaii, Subcontractors Association of Hawaii, and a concerned individual supported this bill. A concerned individual opposed this bill. The Department of Taxation, Land Use Research Foundation of Hawaii, and the Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 802 Finance on H.B. No. 1342**

The purpose of this bill is to expedite the deployment of high-speed broadband technology in Hawaii by exempting:

- (1) Certain broadband infrastructure improvements from state and county permitting requirements; and
- (2) A person or entity from any requirement to upgrade or replace existing utility poles when using that pole to install new or improve existing telecommunications cables, under certain conditions.

The University of Hawaii System, The Chamber of Commerce of Hawaii, Hawaiian Telcom, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported this bill. The Office of Environmental Quality Control and the Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The Department of Business, Economic Development, and Tourism, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, Department of Transportation, and tw telecom 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. 1342, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 803 Finance on H.B. No. 318**

The purpose of this bill is to discuss the impact of vog on the people of Hawaii and find ways to address these issues by establishing a Volcanic Activity Task Force.

The Hawaii Farm Bureau Federation and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the name of the Volcanic Activity Task Force to the County of Hawaii Interagency Task Force on Vog (Task Force);
- (2) Establishing the Task Force within the civil defense agency of the County of Hawaii rather than within the Civil Defense Division of the State Department of Defense (State Civil Defense);
- (3) Clarifying that the Task Force is required to review effects and impact specifically related to vog rather than volcanic activity;
- (4) Requiring the Task Force to simply make recommendations, rather than develop a plan and make recommendations to address certain issues the Task Force determines are feasible to address;
- (5) Requiring the Task Force to meet quarterly instead of bi-monthly;
- (6) Requiring the Civil Defense Agency of the County of Hawaii to provide administrative support to the Task Force rather than State Civil Defense;
- (7) Stipulating that the Administrator of the Hawaii County Civil Defense Agency serve as the Chair of the Task Force instead of the Vice Director of State Civil Defense but retaining the Vice Director of State Civil Defense as a member of the Task Force;
- (8) Removing the Mayor of the County of Hawaii; Director of the Hawaii County Department of Public Works; and representative from the Hawaii Volcano Observatory as members of the Task Force;
- (9) Adding the Hawaii County Fire Chief; District Health Officer of the Department of Health; and the Hawaii District Manager of the Highways Division of the Department of Transportation to the Task Force; and
- (10) Requiring that the Task Force work in conjunction with the State Interagency Task Force on Sulfur Dioxide Hazards and submit a report recommending measures and strategies to mitigate the effects of vog to the Legislature rather than the Task Force simply submitting a preliminary plan and strategy report to the Legislature.

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 H.B. No. 318, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 318, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 804 Finance on H.B. No. 314**

The purpose of this bill is to prepare Hawaii for disasters and natural hazards by:

- (1) Establishing the Office of Disaster Preparedness (ODP);
- (2) Requiring the Director of ODP to develop a comprehensive Disaster Preparedness Plan (Plan) and annually report to the Governor and Legislature on the status of the Plan;
- (3) Establishing a Disaster Preparedness Commission (Commission) to assist the Director in developing the Plan, gather information on past disasters that occurred in the State, and establish advisory committees to provide technical and other support to the Director; and
- (4) Appropriating an unspecified sum to establish and operate the ODP and the Commission.

The State Department of Defense opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 805 Judiciary on H.B. No. 1085**

The purpose of this bill is to protect public health and safety by updating Hawaii's controlled substances law to conform to federal law. Among other things, this bill:

- (1) Updates the list of controlled substances under the designation of Schedule I, Schedule II, and Schedule III controlled substances;
- (2) Requires a separate registration for each principal place of business or professional practice that recommends the medical use of marijuana;
- (3) Provides flexibility in determining the way information relevant to dispensing a controlled substance is reported;
- (4) Allows the Department of Public Safety (PSD) more flexibility in identifying and tracking the abuse of certain non-controlled substances; and
- (5) Increases the medical use of marijuana permit fee from no more than \$25 to no more than \$35.

The Department of the Prosecuting Attorney of the City and County of Honolulu, PSD, Honolulu Police Department, and Department of the Prosecuting Attorney of the County of Maui testified in support of this bill. The Drug Policy Action Group, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, and numerous concerned individuals testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Deleting language that required a separate registration for each principal place of business or professional practice that recommended the medical use of marijuana;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1085, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1085, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 806 Judiciary on H.B. No. 1008**

The purpose of this bill, among other things, is to help provide additional support to state and county law enforcement agencies by adding the Federal Bureau of Investigation and the United States Immigration and Customs Enforcement to the list of federal agencies whose officers may make arrests for certain offenses under state law.

The Department of the Attorney General and Hawaii Police Department supported this bill.

Your Committee has amended this bill by:

- (1) Specifying that evidence obtained as a result of an arrest with no warrant by federal agents is not admissible in a state court;



- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1008, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1008, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 807            Judiciary on H.B. No. 681**

The purpose of this bill is to allow members of the reserves or National Guard on active duty to participate meaningfully in state government by amending the Hawaii Election Laws to permit those members of the armed forces wishing to run for elected office to file nomination papers and take oaths by certified mail.

The Department of Defense testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 7, 2059, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 681, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 681, H.D. 1.

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

**SCRep. 808            Judiciary on H.B. No. 49**

The purpose of this bill is to provide for the efficient disposition of the remains of a deceased member of the armed services of the United States by recognizing the United States Department of Defense Record of Emergency Data, DD Form 93, as an acceptable means of naming the person authorized to direct the disposition of the body.

The Department of Defense testified in support of this measure. The federal Department of Defense offered comments.

Your Committee has amended this bill by changing its effective date to January 7, 2059, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 49, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 49, H.D. 1.

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

**SCRep. 809            Judiciary on H.B. No. 1107**

The purpose of this bill is to authorize members of the Hawaii National Guard to use non-lethal weapons, including electric guns, to support civil authorities in disaster relief, civil defense, or law enforcement functions.

The State of Hawaii Department of Defense testified in support of this bill. The American Civil Liberties Union of Hawaii opposed this measure.

Your Committee has amended this measure by:

- (1) Defining the training required for the use of the non-lethal weapons;
- (2) Changing its effective date to January 7, 2059, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

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

**SCRep. 810      Judiciary on H.B. No. 551**

The purpose of this bill is to allow county liquor authority investigators to use electric guns. The measure also requires the county liquor authorities to keep the electric guns in their possession and control, maintain records of each time an electric gun is used, report annually to the Legislature, and ensure that county liquor authority investigators are trained prior to issuing the electric guns.

Several concerned individuals testified in support of this measure. The Honolulu Police Department, American Civil Liberties Union of Hawaii, Hawaii Bar Owners Association, and several concerned individuals testified in opposition to this bill. A concerned individual commented on this measure.

Your Committee has amended this measure by:

- (1) Limiting the authorized use of electric guns by county liquor authorities to counties having a population of 500,000 or less;
- (2) Requiring county liquor authorities to issue electric guns equipped with video recording capabilities;
- (3) Mandating that county liquor authority investigators may carry and use their electric guns only while on authorized duty; and
- (4) Changing its effective date to January 7, 2059, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 551, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 551, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito, Morita and Rhoads.  
(Representatives Fontaine and Marumoto voted no.)

**SCRep. 811      Judiciary on H.B. No. 393**

The purpose of this bill is to enhance the safety of Hawaii's roadways by:

- (1) Requiring the courts to impose license revocation for life for a driver convicted of manslaughter resulting from the operation of a motor vehicle;
- (2) Giving the courts discretion to impose license revocation for a period of five to ten years for any driver convicted of negligent homicide in the first degree;
- (3) Giving the courts discretion to impose license revocation for a period of two to five years for any driver convicted of negligent homicide in the second degree; and
- (4) Allowing up to two years of imprisonment when a convicted defendant is sentenced to probation for manslaughter.

Maui Police Department and the County of Maui Department of the Prosecuting Attorney testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

Upon consideration, your Committee has amended this bill by:

- (1) Giving courts discretion to impose license revocation for:
  - (a) A period up to ten years for any driver convicted of manslaughter resulting from operating a motor vehicle; and
  - (b) A period up to five years for any driver convicted of negligent homicide in the first degree or negligent homicide in the second degree;
- (2) Clarifying that probation is an applicable sentence for manslaughter; 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. 393, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 393, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 812      Judiciary on H.B. No. 261**

The purpose of this bill is to provide rulemaking authority to semi-autonomous county public transit agencies, including the Honolulu Authority for Rapid Transit, by including county semi-autonomous public transit agencies in those agencies not required to obtain the mayor's approval for rulemaking.

The City and County of Honolulu Department of Transportation testified in support of this measure.

Your Committee has amended this measure by changing the effective date to January 7, 2059, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 261, H.D. 1.

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

**SCRep. 813            Judiciary on H.B. No. 18**

The purpose of this bill is to enhance the public's health and safety, especially that of minors, by establishing regulations for the operation of all-terrain vehicles, most notably by prohibiting persons under the age of 18 from operating or riding an all-terrain vehicle.

The Queen's Medical Center, Injury Prevention Advisory Committee, and American Medical Response testified in support of this bill. The Hawaii Motorsports Association, Hawaii Motorcycle Dealers Association, Montgomery Motors, Sand Island Off-Highway Vehicle Association, and many concerned individuals opposed this bill. Kalaeloa Raceway Park and several individuals provided comments.

Your Committee notes a need for regulation to protect minors from the danger of injury and death involved in the use of all-terrain vehicles. However, your Committee finds a complete ban to be an improper solution. Accordingly, your Committee has incorporated model language into the bill provided by the Specialty Vehicle Institute of America to establish a more reasonable scheme of safety regulations.

Your Committee has amended this bill by:

- (1) Incorporating more detailed provisions for age restrictions and equipment requirements; and
- (2) Changing the effective date to January 7, 2059, 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. 18, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 18, H.D. 1.

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

**SCRep. 814            Judiciary on H.B. No. 1241**

The purpose of this bill is to extend to 20 business days, the time period of notice during which a legal and registered owner of an abandoned vehicle with an out-of-state address may repossess the vehicle before the vehicle is subject to disposal.

EAN Holdings, LLC testified in support of this bill.

Your Committee has amended this bill by changing its effective date to January 7, 2059, to facilitate continued 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. 1241, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1241, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 815            Judiciary on H.B. No. 878**

The purpose of this bill is to provide nonprofit corporations with the ability to use technology readily available to its leadership and members by, among other things, permitting:

- (1) The approval by ballot, including via electronic transmission, of actions that would otherwise be taken at an annual or regular meeting;
- (2) Notice to be given in the form of an electronic transmission;
- (3) Notice to be given to directors of the nonprofit corporation via electronic transmission in the same manner as currently allowed for members; and
- (4) Members and proxies of members to participate at an annual or regular meeting via electronic transmission technology.

The Department of the Attorney General, Department of Commerce and Consumer Affairs, University of Hawaii Professional Assembly, Aloha Society of Association Executives, Hawaii Association of Independent Schools, and Hawaii Alliance of Nonprofit Organizations supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 878, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 878, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 816            Judiciary on H.B. No. 1133**

The purpose of this bill is to make the intentional or knowing performance of a veterinary procedure on a pet animal in a cruel or inhumane manner by an individual who is not a licensed veterinarian a Class C felony. The bill also subjects to the law against cruelty to animals in the first degree, any unlicensed individual who crops or docks an animal for compensation.

Poi Dogs and Popoki and several concerned individuals supported this bill. The Humane Society of the United States supported the measure suggesting amendments. The Attorney General and the Board of Veterinary Examiners provided comments.

Your Committee finds that there is a need for more explicit laws to protect pet animals from significant harm caused by unlicensed individuals performing veterinary procedures. Your Committee also finds that cropping and docking should not be performed by unlicensed individuals for compensation, monetary or otherwise, or by unlicensed individuals who perform the practice as part of the sale of a pet animal even if done gratuitously. It is the intention of your Committee that stronger penalties will assist in the deterrence and prevention of these practices by unlicensed individuals.

Your Committee has amended this bill by:

- (1) Adopting the recommendation of the Attorney General to delete the requirement that the unlicensed individual must first be convicted of violating the applicable licensing statute;
- (2) Deleting the requirement that for a violation to occur, the performance by an unlicensed individual of a veterinary procedure on a pet animal must be done in a "cruel or inhumane manner";
- (3) Further clarifying that the exceptions to the law against animal cruelty with regard to cropping and docking do not apply to unlicensed individuals who perform cropping and docking as part of the overall sale of a pet animal even if they provide this service gratuitously; and
- (4) Changing its effective date to January 7, 2009, 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. 1133, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1133, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 817            Judiciary on H.B. No. 139**

The purpose of this bill is to protect consumers by:

- (1) Providing for state regulation of real estate appraisal management companies to comply with the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989; and
- (2) Requiring the Department of Commerce and Consumer Affairs to report to the Legislature on the impact of these added regulatory responsibilities, including the costs of implementation and means of financing.

The Appraisal Institute testified in support of this measure. The Department of Commerce and Consumer Affairs and Office of the Auditor supported the measure with comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 7, 2009, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 139, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 139, H.D. 1.

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

**SCRep. 818            Judiciary on H.B. No. 320**

The purpose of this bill is to allow licensed real estate brokers and salespersons to prepare broker price opinions for transactions where an actual appraisal is not required. This bill also establishes specific requirements for inclusion in a broker price opinion and restrictions relating to broker price opinions.

The Hawaii Chapter of the Appraisal Institute and the Hawaii Association of REALTORS supported this bill. The Hawaii Real Estate Commission and Hawaii Financial Services Association supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Making the specific requirements for a broker price opinion applicable in cases where a broker price opinion is provided for compensation or valuable consideration by a real estate broker or salesperson;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 320, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 320, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 819            Judiciary on H.B. No. 1456**

The purpose of this bill is to increase the effectiveness of petroleum industry unfair trade practices laws that require criminal prosecutions that consume time and limited resources by:

- (1) Making unfair trade practices by the petroleum industry subject to an administrative rather than criminal penalty;
- (2) Eliminating the ceiling of \$10,000 for each violation of the unfair trade practices law; and
- (3) Establishing a fine of not more than \$5,000 for each day a person is in violation of the unfair trade practices law.

Several concerned individuals testified in support of this bill.

Your Committee has amended this bill by changing its effective date to January 7, 2059, 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. 1456, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1456, H.D. 1.

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

**SCRep. 820            Finance on H.B. No. 1455**

The purpose of this bill is to assist gasoline dealers in acquiring discounts on gasoline purchases by allowing them to enter into cooperative purchasing agreements to purchase gasoline.

Several concerned individuals testified in support of this bill. The Western States Petroleum Association testified in opposition to this measure. The Public Utilities Commission provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1455, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1455, H.D. 2.

Signed by all members of the Committee.

**SCRep. 821            Finance on H.B. No. 337**

The purpose of this bill is to regulate athletic training in the State by, among other things, requiring athletic trainers to have completed the educational and certification requirements of the National Athletic Trainers' Association Board of Certification, Inc., and to register with the Department of Commerce and Consumer Affairs (DCCA).

The Department of Education and the Hawaii Association of Athletic Trainers testified in support of this bill. The Hawaii Chapter-American Physical Therapy Association testified in opposition to this measure. The State Auditor, DCCA, DCCA Professional and Vocational Licensing Division, and the Occupational Therapy Association of Hawaii commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 337, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 822 Finance on H.B. No. 972**

The purpose of this bill is to specifically require the Public Utilities Commission (PUC) to assess a civil penalty against manufacturers or jobbers who violate the qualified restrictions against converting existing dealer retail gas stations to company stations. This bill also requires the Attorney General to institute a civil action for civil penalties not paid in the time period specified by the PUC.

A concerned individual supported this bill. PUC 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. 972, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 823 Finance on H.B. No. 112**

The purpose of this bill is to allow the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, and governmental channels on cable television.

The Department of Commerce and Consumer Affairs (DCCA), Americans for Democratic Action/Hawaii, Hawaii People's Fund, Community Alliance on Prisons, Media Council of Hawaii, Olelo Community Television, Life of the Land, and numerous concerned individuals supported this bill. The State Procurement Office and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Requiring DCCA to conduct annual audits of the access organization;
- (2) Establishing a sunset date of June 30, 2014, for this measure; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 112, H.D. 1.

Signed by all members of the Committee.

**SCRep. 824 Finance on H.B. No. 1049**

The purpose of this bill is to update the Insurance Code, Chapter 431, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Medical Service Association and American Council of Life Insurers provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1049, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1049, H.D. 2.

Signed by all members of the Committee.

**SCRep. 825 Finance on H.B. No. 1447**

The purpose of this bill is to make the State more competitive in the national and local marketplace by amending the Permitted Transfers in Trust Act that governs transfers of property from a transferor to a trustee using an irrevocable trust instrument. Specifically this bill, among other things, deletes the one percent excise tax on the fair market value of all permitted transfers and increases flexibility as to the nature and extent of the assets that may be managed by Hawaii's private financial sector.

Bank of Hawaii, First Hawaiian Bank, and the Tax Department of the Cades Schutte law firm testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1447, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1447, H.D. 2.

Signed by all members of the Committee.

**SCRep. 826 Finance on H.B. No. 1052**

The purpose of this report is to adopt amendments to the Insurance Code to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 relating to surplus lines insurance and to participate in a multi-state cooperative to collect surplus lines premium taxes and fees and distribute to the individual states their taxes and fees.

The Department of Commerce and Consumer Affairs supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1052, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1052, H.D. 2.

Signed by all members of the Committee.

**SCRep. 827 Finance on H.B. No. 496**

The purpose of this bill is to increase the use value, both agricultural and recreational, of Wahiawa reservoir, commonly known as Lake Wilson, by establishing a pilot project using marine phytoremediation that uses plants native to Hawaii to remove pollutants and improve the water quality to acceptable levels.

The Office of Hawaiian Affairs and Partners in Development Foundation supported 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. 496 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 828 Finance on H.B. No. 850**

The purpose of this bill is to implement traditional fishery management practices for the regulation of fishing and gathering to promote the sustainable use of marine resources by establishing a community-based fishery resource management area program and advisory committee for the island of Lana'i.

Hawaiian Electric Company and Maui Electric Company testified in support of this bill. The Department of Land and Natural Resources testified in opposition to this measure. The Maunaloa Hawaiian Civic Club 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. 850, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 829 Finance on H.B. No. 1164**

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to:

- (1) Review and consider, among other things:
    - (A) Current lease terms between DLNR and the Sand Island Business Association;
    - (B) Income related to leases and rent;
    - (C) The use of lease revenues;
    - (D) Alternative sources of revenue to replace the lease revenues;
- and

- (2) Report its findings and recommendations to the Legislature prior to the convening of the 2012 Regular Session.

The Sand Island Business Association, and numerous concerned individuals supported this bill. The Office of Hawaiian Affairs and the Department of Land and Natural Resources opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1164, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 830 Finance on H.B. No. 376**

The purpose of this bill is to spur construction and other projects that will result in the generation of construction and other related jobs by streamlining portions of the review process for permits, licenses, and approvals by, among other things:

- (1) Allowing the counties to contract with licensed, qualified architects and engineers to serve as third-party reviewers to certify compliance with various construction codes as well as land-use ordinances;
- (2) Limiting to 60 days the period within which the Department of Land and Natural Resources (DLNR) has to review and comment on pending state and county project approvals that affect historic properties, aviation artifacts, or burial sites before the proposed project will be deemed approved; and
- (3) Providing that if an agency has not adopted rules specifying the maximum period within which to grant or deny a business- or development-related permit, license, or approval, the application will be deemed approved 30 calendar days after a completed application is submitted to the State or respective county agency.

The Land Use Research Foundation of Hawaii and The Pacific Resource Partnership supported this bill. The Department of Land and Natural Resources, Office of Hawaiian Affairs, Historic Hawaii Foundation, Sierra Club-Hawaii Chapter, Legislative Committee of the Society for Hawaiian Archaeology, Hawaii's Thousand Friends, Life of the Land, and many concerned individuals opposed this bill. The Board of Professional Engineers, Architects, Surveyors and Landscape Architects 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. 376, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 831 Finance on H.B. No. 1180**

The purpose of this bill is to apply the conveyance tax to transfers of entity ownership when the transfer of entity ownership is essentially equivalent to the sale of an interest in real property.

The Chamber of Commerce of Hawaii testified in opposition to this bill. The Department of Taxation, Tax Foundation of Hawaii, Hawaii Association of REALTORS, and Alexander & Baldwin, Inc. provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the imposition of the conveyance tax on transfers of entity ownership shall not apply to any transfer of interest or acquisition between entities wholly owned by the same common ownership that results in no change in the beneficial ownership; and
- (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. 1180, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1180, H.D. 1.

Signed by all members of the Committee except Representatives Hashem and Tokioka.  
(Representative Marumoto voted no.)

**SCRep. 832 Finance on H.B. No. 1617**

The purpose of this bill is to assist Hawaii's visitor industry and provide a means of infrastructure improvements to public lands while protecting State interests by, among other things:

- (1) Providing for an extension of leases of public lands for commercial, hotel, resort, or industrial use to a maximum of 55 years if substantial improvements are made to the demised premises;
- (2) Requiring that the plans and specifications for the total development being proposed be submitted to the Board of Land and Natural Resources (BLNR) for review prior to a development agreement being entered into; and



- (3) Prohibiting the commencement of construction until a sufficient bond conditioned upon the full and faithful performance of all the terms and conditions of the development agreement has been filed with BLNR.

The Hawaii Tourism Authority supported this bill. The Department of Land and Natural Resources opposed this bill. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1617, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1617, H.D. 2.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 833 Finance on H.B. No. 377**

The purpose of this bill is to encourage the development of traditional aquaculture techniques by requiring the Board of Land and Natural Resources to provide lease preferences for state land to be used for the reconstruction, restoration, repair, or use of Hawaiian fishponds.

The Office of Hawaiian Affairs, Kuliouou/Kalani Iki Neighborhood Board, Hawaii Nearshore Fishermen, and several concerned individuals supported this bill. The Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 377, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 377, H.D. 2.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 834 Finance on H.B. No. 389**

The purpose of this bill is to protect one of Hawaii's wetland areas and restore it to productive use. Specifically, this measure seeks to protect and restore the Heeia wetlands, eliminate invasive species in the area, and establish an agricultural and educational center at the wetlands by, among other things:

- (1) Establishing the Heeia Community Development (District), and stipulating its boundaries;
- (2) Establishing general polices to guide the development of the District;
- (3) Creating the Heeia Development Community Revolving Fund along with a dedicated revenue stream to be deposited into the Fund; and
- (4) Authorizing the Hawaii Community Development Authority (HCDA) to assess all land users for their fair share of the costs required to administer and operate the District.

Kāko'o 'Ōiwi, the Kahaluu Neighborhood Board No. 29, the HCDA, The Nature Conservancy of Hawaii, the Ko'olaupoko Hawaiian Civic Club, and several concerned individuals supported this bill. The City and County of Honolulu Department of Planning and Permitting opposed this bill. The Department of Budget and Finance, and Office of Planning provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 389, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 389, H.D. 3.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 835 Finance on H.B. No. 1312**

The purpose of this bill is to maximize the revenue potential of the Ala Wai Boat Harbor and assist the Department of Land and Natural Resources (DLNR) in addressing its fiscal needs by authorizing DLNR to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai boat harbor facilities that are presently underused.

DLNR and several concerned individuals testified in support of this bill. Several concerned individuals testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1312, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1312, H.D. 2.

Signed by all members of the Committee.

**SCRep. 836 Finance on H.B. No. 1405**

The purpose of this bill is to promote smart growth and sustainability in Hawaii by requiring the Office of Planning to develop a plan to establish a statewide system for greenways and trails.

The Department of Planning and Permitting of the City and County of Honolulu, Sierra Club–Hawaii Chapter, and The Outdoor Circle testified in support of this bill. The Office of Planning testified in opposition to this measure.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1405, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1405, H.D. 1.

Signed by all members of the Committee.

**SCRep. 837 Finance on H.B. No. 1566**

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in addressing needed repair and maintenance at ocean recreation facilities under their jurisdiction, given the current economic conditions facing the State. Specifically, this measure:

- (1) Exempts the Ala Wai Boat Harbor from assessment and special improvement district requirements regarding redevelopment;
- (2) Clarifies the permissible uses of leased state boating facility properties to include ocean recreation activities;
- (3) Extends the maximum term for the disposition of public lands of state boating facilities to 65 years;
- (4) Requires any fees collected within the small boat harbors to be expended only for costs relating to the operation, upkeep, maintenance, and improvement of small boat harbors;
- (5) Allows the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi boat harbors;
- (6) Provides for future mooring fees to be established by appraisal by a state-licensed appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class that shall equal schedule B rates by July 1, 2014;
- (7) Authorizes DLNR to assess and collect utility fees, including electrical and water charges, and common area maintenance fees, in small boat harbors; and
- (8) Directs DLNR to lease certain fast lands at the Ala Wai boat harbor using the request for proposals process to enter into a public-private partnership for the development, management, and operation of areas of Ala Wai boat harbor.

Greenvision and many concerned individuals testified in opposition to this bill. DLNR, Ocean Tourism Coalition, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1566, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1566, H.D. 1.

Signed by all members of the Committee.

**SCRep. 838 Finance on H.B. No. 568**

The purpose of this bill is to encourage aquacultural production in Hawaii by providing for more favorable terms for the lease of public lands for aquaculture operations. Specifically, this bill:

- (1) Increases the maximum term of leases for aquaculture operations from 35 to 45 years, and allows a maximum term of 65 years for existing operations in good standing for ten or more years; and
- (2) Allows aquaculture operations in good standing the right of first refusal.

The Hawaii Farm Bureau Federation, East Oahu County Farm Bureau, Hawaii Aquaculture and Aquaponics Association, and a concerned individual supported this bill. The Department of Land and Natural Resources, 'Apono Hawaii, Food & Water Watch, and numerous concerned individuals opposed this bill. The Department of Agriculture and several concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 568, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 568, H.D. 2.

Signed by all members of the Committee.

**SCRep. 839 Finance on H.B. No. 505**

The purpose of this bill is to protect life and property by appropriating funds for flood mitigation efforts:

- (1) On Farrington Highway between Maili and Nanakuli on the island of Oahu; and
- (2) In the Luualalei Valley area on the island of Oahu.

Several concerned individuals testified in support of this bill. The Department of Transportation and the Department of Defense submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 505, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 505, H.D. 2.

Signed by all members of the Committee.

**SCRep. 840 Finance on H.B. No. 324**

The purpose of this bill is to preserve the culturally and historically rich area of South Kona on the island of Hawaii by establishing the South Kona Wilderness Area to be administered by the Department of Land and Natural Resources (DLNR).

The Office of Hawaiian Affairs supported this bill. The Department of the Attorney General opposed this bill. DLNR, The Nature Conservancy of Hawaii, and The Resort Group provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive, amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 324, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 324, H.D. 2.

Signed by all members of the Committee.

**SCRep. 841 Finance on H.B. No. 915**

The purpose of this bill is to enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining 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 Mayor of the County of Maui, County of Maui Real Property Tax Division, Department of Budget and Fiscal Services of the City and County of Honolulu, and the Kauai County Department of Finance testified in support of this measure. The Department of Taxation offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 915, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 915, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 842 Finance on H.B. No. 1079**

The purpose of this bill is to protect Hawaii's threatened and endangered species by:

- (1) Authorizing the Department of Land and Natural Resources (DLNR) to collect fees to cover the costs of their Habitat Conservation Technical Assistance Program which assists landowners in the development, review, and monitoring of habitat conservation plans;
- (2) Requiring DLNR to adopt rules for the establishment of the fees; and
- (3) Providing for the fees to be deposited into the Endangered Species Trust Fund.

DLNR, Hawaii Audubon Society, First Wind, and Earthjustice testified in support of this bill. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1079, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1079, H.D. 2.

Signed by all members of the Committee.

**SCRep. 843 Finance on H.B. No. 1083**

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in using its fiscal resources more efficiently and effectively by:

- (1) Stipulating that an owner of an unauthorized vessel that is impounded by DLNR is solely responsible for all costs of the impoundment and disposal of the vessel;
- (2) Requiring that any proceeds resulting from the impoundment of the unauthorized vessel first be used to pay the costs of impoundment and disposal and then to pay any mooring fees that may be due; and
- (3) Specifying that when the proceeds resulting from the impoundment are inadequate to pay for all costs due including mooring fees, the owner of the vessel shall remain liable for the outstanding costs and fees.

DLNR testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1083, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1083, H.D. 1.

Signed by all members of the Committee.

**SCRep. 844 Finance on H.B. No. 1505**

The purpose of this bill is to address the State's significant backlog of deferred facility maintenance and promote new construction projects by establishing public-private partnerships through the State Facility Renovation Partnership Program.

The Department of Accounting and General Services and a concerned individual supported this bill. A concerned individual opposed this measure. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1505, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1505, H.D. 2.

Signed by all members of the Committee.

**SCRep. 845 Finance on H.B. No. 331**

The purpose of this bill is to provide existing lessees on state land the opportunity to, among other things, recoup their investment in their leasehold estates and facilitate future planning for their present enterprises by authorizing the Board of Land and Natural Resources to extend the fixed lease rent period of state leases being used for specified purposes; provided that the aggregate of the initial and extension terms do not exceed 65 years.

Numerous concerned individuals supported this bill. The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Hawaii Aquaculture Aquaponics Association provided comments.

Your Committee has amended this bill by:

- (1) Increasing to 65 years the statutory limitation that restricted a lease's initial term and extension thereof to no more than a total of 55 years; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 331, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 331, H.D. 2.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 846 Finance on H.B. No. 1082**

The purpose of this bill is to:

- (1) Establish the Conservation and Resources Enforcement Special Fund (Special Fund) to be administered by the Department of Land and Natural Resources (DLNR) and used for conservation and enforcement related to the management, protection, and preservation of certain public lands; and
- (2) Appropriate \$250,000 out of the Special Fund for fiscal year 2011-2012 for covering expenses related to enforcing natural, cultural, and historic resources protection laws and rules.

DLNR, Sierra Club-Hawaii Chapter, The Nature Conservancy, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the amount appropriated out of the Special Fund for fiscal year 2011-2012 for covering expenses related to enforcing natural, cultural, and historic resources protection laws and rules;
- (2) Changing its effective date to July 1, 2030, 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. 1082, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1082, H.D. 1.

Signed by all members of the Committee.

**SCRep. 847 Finance on H.B. No. 1431**

The purpose of this bill is to allow a county council to adopt ordinances or rules, including the adoption of penalties, to enforce covenants that run with the land that impose standards regarding use, maintenance, landscaping, and setbacks.

Several concerned individuals supported this bill. A concerned individual submitted comments.

Your Committee has amended this measure by changing its effective date to July 1, 2030, 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. 1431, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1431, H.D. 1.

Signed by all members of the Committee except Representative Har.

**SCRep. 848 Finance on H.B. No. 270**

The purpose of this bill is to provide savings in manpower, time, and costs to the counties and requestors of easements by eliminating the public auction requirement in the disposition of easements on county property.

The Department of Budget and Fiscal Services of the City and County of Honolulu; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company; and Maui Electric Company testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 270 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 849 Finance on H.B. No. 397**

The purpose of this bill is to assist in the review of legislative resolutions regarding proposed exchanges, sales, or gifts of state land for consideration by the legislature by requiring:

- (1) A detailed summary in all concurrent resolutions of proposed exchanges, sales, or gifts of state land, including whether the land was classed as government or crown lands prior to August 15, 1895; and
- (2) That a draft copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs (OHA) at least three months prior to the appropriate legislative session.

OHA, the Native Hawaiian Legal Corporation, and the Association of Hawaiian Civic Clubs supported this bill. The Department of Land and Natural Resources offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 397, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Har.

**SCRep. 850 Finance on H.B. No. 297**

The purpose of this bill is to assess the probation services fee on defendants who are granted deferred acceptance of a guilty plea or deferred acceptance of a nolo contendere plea.

The Judiciary 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. 297, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 851 Finance on H.B. No. 549**

The purpose of this bill is to provide for greater efficiencies and public access in government under Chapter 92, Hawaii Revised Statutes (HRS), Public Agency Meetings and Records Law, by:

- (1) Eliminating the requirement that notices be filed in the Office of the Lieutenant Governor or the appropriate county clerk's office;
- (2) Requiring state and county boards to file notices of meetings, including emergency meetings, by electronic posting on the state calendar on the central state website (for state boards) or the respective county calendar on the county website (for county boards); and

- (3) Providing that if there is interruption in service in accessing the state or county calendars, then the notices shall be filed in the Office of Information Practices or the appropriate county clerk's office, until service is restored.

The Office of Information Practices; Natalie J. Iwasa, CPA, Inc.; and a concerned individual testified in support of this bill. The City and County of Honolulu Office of the City Clerk 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. 549, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 852 Finance on H.B. No. 245**

The purpose of this bill is to increase fees paid to out-of-state witnesses, and witnesses from islands other than where the court is located, who are required to attend state court or grand jury proceedings. Specifically, this bill raises the per diem rate for out-of-state witnesses from \$110 to \$145 and provides an additional \$90 per 24-hour day if an inter-island witness is required to stay overnight.

The Department of the Prosecuting Attorney of the City and County of Honolulu 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. 245, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 853 Finance on H.B. No. 545**

The purpose of this bill is to work to improve voter participation in the democratic process by:

- (1) Requiring the Chief Election Officer to create, implement, and maintain a publicly available electronic voter registration system by January 1, 2014; and
- (2) Establishing requirements for electronic voter registration, including identification requirements.

The American Civil Liberties Union of Hawaii, The League of Women Voters of Hawaii, Americans for Democratic Action/Hawaii, Common Cause Hawaii, Media Council of Hawaii, and several concerned individuals supported this bill. The Office of Elections and County of Maui Office of the County 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. 545, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 854 Finance on H.B. No. 301**

The purpose of this bill is to improve the efficiency, productivity, and accessibility of the judicial process by requiring that fees prescribed by the Hawaii Supreme Court for electronic document certification and copies, and for providing bulk access to electronic court records and compilations of data, be deposited into the Judiciary Computer System Special Fund.

The Judiciary 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. 301 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 855 Finance on H.B. No. 638**

The purpose of this bill is to ensure public support and confidence in elected officials by requiring the use of the instant runoff voting method for elections for county offices in which no primary election is held, and in special elections that would normally be subject to a runoff election if a candidate was not elected by majority vote in the initial special election.

Common Cause Hawaii, Americans for Democratic Action/Hawaii, and several concerned individuals supported this bill. A concerned individual opposed this bill. The Office of Elections and FairVote 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. 638, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 856 Finance on H.B. No. 1004**

The purpose of this bill is to respond to an adverse federal court ruling on a 2007 California case that dismissed with prejudice the claims of certain states, including Hawaii, as indirect purchasers by amending Hawaii's law on monopolies and restraint of trade (Chapter 480, Hawaii Revised Statutes) to:

- (1) Expressly provide that whenever the State or any county is injured in its business or property, directly or indirectly, by any action prohibited under the chapter, it may sue to recover threefold the actual damages sustained; and
- (2) Clarifying that any civil action under the chapter may be brought in any appropriate forum to ensure that the State can pursue its claims in both in-state and out-of-state courts.

The Attorney General supported this bill. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1004, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1004, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 857 Finance on H.B. No. 246**

The purpose of this bill is to appropriate funds for various programs and activities under the Department of the Prosecuting Attorney of the City and County of Honolulu (Honolulu Prosecutor). Specifically, this bill provides funding for:

- (1) The career criminal prosecution unit;
- (2) Prosecution in drug court;
- (3) Prosecution in Hawaii's opportunity probation with enforcement program; and
- (4) The victim witness assistance program.

The Honolulu Prosecutor, Honolulu Police Department, and the Crime Victim Compensation Commission supported this bill.

Your Committee has amended this measure by changing its effective date to July 1, 2030, 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. 246, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 246, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 858 Finance on H.B. No. 302**

The purpose of this bill is to ensure the efficient and timely transfer of a parolee or probationer out-of-state by:

- (1) Requiring that the interstate transfer fee collected from offenders requesting the transfer of their probation or parole supervision to the mainland be deposited directly into the Probation Services Special Fund, rather than the General Fund; and
- (2) Stipulating that the monies in the Probation Services Special Fund be used to monitor and enforce compliance with the terms and conditions of probation and other supervision, and to support other duties and activities related to the supervision of defendants.

The Judiciary testified in support of this bill.

Your Committee has amended this measure by changing its effective date to July 1, 2030, 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. 302, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 302, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 859 Finance on H.B. No. 828**

The purpose of this bill is to help clarify procedures associated with the tax administration of the cash economy by, among other things:



- (1) Establishing conditions to inspect records and receipts relating to cash business transactions;
- (2) Clarifying state of mind for the violation of record and receipt requirements;
- (3) Requiring maintenance of a contemporaneously generated record of all business transactions conducted each day; and
- (4) Permitting records to be prepared by hand or by cash register.

The Department of Taxation opposed this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding a savings clause; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 828, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 828, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 860 Finance on H.B. No. 1640**

The purpose of this bill is to increase the convenience of obtaining civil identification by, among other things, requiring the Attorney General, in cooperation with the Director of Transportation and appropriate county agencies, to create a program allowing such agencies to issue civil identification at locations where driver's licenses are issued.

The Department of the Attorney General provided comments on this bill.

Your Committee has amended this bill by:

- (1) Requiring the Attorney General to allow county employees to issue certificates of identification rather than requiring a program to allow the same;
- (2) Providing that the authorization to allow county employees to issue certificates of identification will take effect on January 1, 2013; 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. 1640, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1640, H.D. 2.

Signed by all members of the Committee.

**SCRep. 861 Finance on H.B. No. 1071**

The purpose of this bill is to protect the community by requiring the Department of Health (DOH) to:

- (1) Establish and monitor a Fitness Restoration Program (Program) for those defendants released on conditions after being found unfit to stand trial; and
- (2) Inform the prosecuting attorney of the county that charged the defendant of the Program plan and any non-compliance therewith on the part of the defendant.

DOH, Department of the Prosecuting Attorney of the City and County of Honolulu, and Hawaii Disability Rights Center testified in support of this bill. Helping Hands Hawaii provided comments.

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

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

Signed by all members of the Committee.

**SCRep. 862 Finance on H.B. No. 848**

The purpose of this bill is to exempt from the state general excise tax, amounts received by a common paymaster that are disbursed as remuneration to employees of two or more related persons where the common paymaster is making the remunerations on behalf of the related persons.

The Chamber of Commerce of Hawaii and numerous concerned individuals supported this bill. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii and several concerned individuals provided comments.

Your Committee has amended this bill as follows:

- (1) In the proposed amendment to section 237-23.5(a), two references to section 267 of the Internal Revenue Code were deleted because section 267 of the Internal Revenue Code does not use the term "related entity";
- (2) Deleting the word "reimbursable" in the definition for "Services" because reimbursements are exempt from general excise tax under section 237-20; 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. 848, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 848, H.D. 2.

Signed by all members of the Committee.

**SCRep. 863 Finance on H.B. No. 986**

The purpose of this bill is to provide a dedicated source of funding for the Department of Business, Economic Development, and Tourism (DBEDT) Creative Industries Division, by:

- (1) Requiring DBEDT to establish and collect a surcharge on each film permit application it processes;
- (2) Specifying that film permit surcharges, Hawaii Film Studio rental revenues, film permit violation fees, and tax incentive application processing fees be deposited into the Hawaii Television and Film Development Special Fund (Special Fund);
- (3) Authorizing DBEDT to determine the use of the Special Fund moneys; and
- (4) Stipulating that Special Fund revenues shall not supplant general funds appropriated and allocated to the DBEDT Creative Industries Division.

DBEDT testified in support of this bill. A concerned individual opposed this measure. Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Eliminating the requirement that revenues generated from the Hawaii Television and Film Development Special Fund shall not supplant general funds appropriated and allocated to the DBEDT Creative Industries Division;
- (2) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (3) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 986, H.D. 2.

Signed by all members of the Committee.

**SCRep. 864 Finance on H.B. No. 1300**

The purpose of this bill is to, among other things:

- (1) Require the Department of Taxation (DOTAX) to establish an electronic filing system by July 1, 2013, to allow taxpayers to file tax returns, applications, reports, and other documents by electronic, telephonic, or optical means, with no additional cost to the taxpayer for electronic filing;
- (2) Change the filing and payment of the general excise tax, from on or before the 20<sup>th</sup> of the calendar month to on or before the last day of the calendar month; and
- (3) Change the filing of the transient accommodations tax, use tax, fuel tax, liquor tax, cigarette tax and tobacco tax, rental motor vehicle and tour vehicle tax, and the conveyance tax, from on or before the twentieth of the calendar month to on or before the last day of the calendar month.

DOTAX, The Chamber of Commerce of Hawaii, The Hawaii Business League, Retail Merchants of Hawaii, and a concerned individual testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1300, H.D. 2.

Signed by all members of the Committee.

**SCRep. 865 Finance on H.B. No. 782**

The purpose of this bill is to establish a dedicated funding source for the operations of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Establishing the DBEDT Operation Special Fund (Special Fund) to be used for the operations of DBEDT; and
- (2) Temporarily imposing a surcharge of \$20 to be added to various fees assessed by the Department of Commerce and Consumer Affairs (DCCA), Public Utilities Commission, Department of Labor and Industrial Relations (DLIR), and Department of Taxation (DOTAX), and requiring that surcharge revenues be deposited into the Special Fund.

DLIR, DCCA, American Council of Life Insurers, Hawaii Insurers Council, Hawaii Financial Services Association, and a concerned individual opposed this bill. DOTAX, Department of Budget and Finance, DBEDT, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 782, H.D. 2.

Signed by all members of the Committee except Representatives Hashem and Tokioka.  
(Representative Marumoto voted no.)

**SCRep. 866 Finance on H.B. No. 801**

The purpose of this bill is as received by your Committee is to allow the federal Work Opportunity Credit, with certain revisions, to be used against a taxpayer's state income tax liability.

Prior to the hearing, your Committee circulated a proposed draft that replaced the substance of this bill, clarifying the Department of Taxation's (DOTAX) subpoena authority for civil and criminal investigations. Specifically, the proposed draft:

- (1) Clarifies that the Director of Taxation (Director) may require the production of electronic records that are relevant or material to an inquiry, investigation, or hearing conducted by the Director;
- (2) Specifies that the Director may subpoena witnesses, examine them under oath, and require the production of books, papers, documents, or other records, including electronic records, that are material or relevant to a criminal investigation conducted by the Director;
- (3) Establishes parameters for the use of subpoena powers in criminal investigations conducted by the Director;
- (4) Requires DOTAX to reimburse a financial institution that is served a subpoena for costs incurred as a result of the subpoena; and
- (5) Stipulates that compliance with a subpoena issued by DOTAX shall not give rise to a civil action for damages against an individual who has complied with the subpoena.

DOTAX supported the proposed draft of this bill.

Your Committee has amended this bill by adopting the substance of 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 H.B. No. 801, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 801, H.D. 2.

Signed by all members of the Committee.

**SCRep. 867 Finance on H.B. No. 983**

The purpose of this bill is to authorize the Hawaii Strategic Development Corporation (HSDC) to transfer tax credits issued by the State to transferees that may use the tax credits to reduce their tax liabilities under the income tax, banks and financial institutions tax, or insurance tax laws.

HSDC; High Technology Development Corporation; Hawaii Angels, Skai Technologies, LLC; Cellular Bioengineering, Inc.; Oceanit; and a concerned individual supported this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Requiring HSDC to comply with best practices standards, and to meet specific requirements and comply with certain limitations relating to the investment of moneys raised or arranged by HSDC pursuant to this measure;
- (2) Requiring HSDC, in conjunction with DOTAX, to monitor the transfer of tax credits provided for in this measure and submit an annual report to the Legislature;
- (3) Deleting the provision that stipulates that any unsold tax credits shall expire at the end of the calendar year in which they are issued;
- (4) Changing the limit on the total amount of tax credits that may be issued under this measure from \$100,000,000 to an unspecified amount to encourage further discussion;
- (5) Changing the limit on the total amount of tax credits that may be issued each fiscal year from \$20,000,000 to an unspecified amount to encourage further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 983, H.D. 2.

Signed by all members of the Committee.

**SCRep. 868 Finance on H.B. No. 985**

The purpose of this bill is to preserve creativity and competition in the construction contract procurement process by establishing and incorporating the design-build method as an alternative procurement method into the Hawaii Public Procurement Code, to be employed at the discretion of the procurement officer. If the design-build method is employed, the procurement officer must:

- (1) Prior to the submittal of proposals or discussion and evaluations, issue a request for proposals to prequalify offerors to select a short list of responsible offerors; provided that:
  - (A) The number of proposals that will be short-listed is stated in the request for proposals; and
  - (B) All offerors are given prompt public notice as to which proposals have been short-listed;
 or
- (2) Pay stipends to unsuccessful offerors; provided that the stipend amount and terms of stipend payment are stated in the request for proposals.

The Department of Accounting and General Services; Hawaii Procurement Institute; Nordic PCL Construction, Inc.; Pacific Geotechnical Engineers, Inc.; The Limtiaco Consulting Group; American Institute of Architects Hawaii State Council; Design-Build Institute of America, Western Pacific Region, and the Hawaii Chapter; General Contractors Association of Hawaii; and American Council of Engineering Companies of Hawaii testified in support of this bill. The Department of Budget and Fiscal Services, City and County of Honolulu opposed this measure. The State Procurement Office; InSynergy Engineering, Inc.; KAI Hawaii, Inc.; Kennedy/Jenks Consultants; Community Planning and Engineering, Inc.; Fukunaga & Associates, Inc.; ECS, Inc.; Engineering Concepts, Inc.; Brown and Caldwell; Design-Build Institute of America; and Shigemura, Lau, Sakanashi, Higuchi & Associates, Inc. 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. 985, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 985, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 869 Finance on H.B. No. 1179**

The purpose of this bill is to improve the management of state funds. Among other things, this measure:

- (1) Establishes an advisory committee on short-term investments (advisory committee) to assist and advise the Director of Finance (Director) on the establishment and operation of a short-term investment pool;
- (2) Allows the Director, with the assistance of the advisory committee, to invest excess State funds as long as the investment does not impede or hamper the necessary financial operations of the State, while placing certain limitations on the short-term investments;
- (3) Allows the short-term investment pool to be operated under contract with a private investment advisor approved by the Director and advisory committee;
- (4) Subjects the short-term investment pool to an annual independent audit as part of the State's comprehensive annual financial audit; and
- (5) Repeals existing provisions that authorize the Director to make short-term investments of excess state funds.

The Department of Budget and Finance testified in support of this bill. First Hawaiian Bank provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the short-term investment pool may be operated under contract with more than one private investment advisor approved by the Director and advisory committee to provide flexibility to the Director and advisory committee should they determine that more than one professional investment advisor is desired; and
- (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. 1179, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1179, H.D. 3.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 870 Finance on H.B. No. 1183**

The purpose of this bill is to minimize the loss of revenues of local businesses due to sales by out-of-state online retailers by:

- (1) Creating a nexus standard for taxing out-of-state businesses on their business activities in Hawaii;
- (2) Amending the definition of "engaging in business" with regard to the general excise tax to include persons who enter into an agreement with residents of the State, where the person pays a commission for referral of potential customers; and
- (3) Allowing out-of-state businesses to file information regarding sales to residents of the State, instead of collecting and remitting general excise taxes to the department of taxation.

The Department of Taxation (DOTAX), Direct Marketing Association, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting the purpose section;
- (2) Clarifying that the general excise tax annual statement requirements for businesses domiciled out-of-state do not apply to a person or entity that has a physical presence in the State and specifies what qualifies as a physical presence;
- (3) Inserting language to require a business domiciled in the State to file an annual statement regarding general excise taxes to address concerns raised by Civil Case No. 10-CV-01546-REB-CBS *The Direct Marketing Association v. Roxy Huber* which alleges that any requirement placed upon an out-of-state business which is not also placed upon an in-state business is discriminatory; 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. 1183, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1183, H.D. 2.

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

**SCRep. 871 Finance on H.B. No. 678**

The purpose of this bill is to assist individuals who may become victims of identity theft and other related crimes by:

- (1) Requiring any government agency responsible for a security breach to pay the costs of providing each person whose personal information was disclosed with, at a minimum, a three-year subscription to a nationwide reporting agency's services;
- (2) Extending consumer protections to those who have received notification of a security breach; and

- (3) Exempting national credit reporting services procured as a result of these security breaches from state procurement laws so that commercial credit monitoring services can be provided in a timely manner.

The Department of Human Resources of the City and County of Honolulu, Consumer Data Industry Association, Hawaii Bankers Association, and Reed Elsevier Inc., testified in opposition to this bill. The Department of Commerce and Consumer Affairs, Department of Accounting and General Services, and American Council of Life Insurers provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, 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. 678, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 678, H.D. 3.

Signed by all members of the Committee.

**SCRep. 872 Finance on H.B. No. 1063**

The purpose of this bill is to assist the Department of Hawaiian Home Lands (DHHL) to deliver homesteads and home ownership opportunities to beneficiaries by increasing State's limit of liability for DHHL loans and guarantees, from \$50,000,000 to \$100,000,000.

The Department of Budget and Finance, DHHL, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Making unspecified the State's limit of liability;
- (2) Changing its effective date to July 1, 2030, 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. 1063, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1063, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 873 Finance on H.B. No. 1483**

The purpose of this bill is to carry out the objectives of the Hawaiian Homes Commission Act, 1920, as amended, by:

- (1) Providing water to Molokai irrigation system users who lease tracts of Hawaiian Home Lands at an unspecified reduced rate;
- (2) Forgiving past due amounts owed by Molokai homestead farmers for the irrigation of water; and
- (3) Appropriating unspecified funds to cover the operational costs of the Molokai irrigation system.

The Sovereign Councils of the Hawaiian Homelands Assembly testified in support of this bill. The Department of Agriculture, the Department of Hawaiian Home Lands, and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1483, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 874 Finance on H.B. No. 1540**

The purpose of this bill is to help ensure that public school teachers are sufficiently qualified by making permanent statutory provisions that:

- (1) Require unlicensed teachers hired on an emergency basis prior to July 1, 2008, to become licensed within four years of the date of employment; and
- (2) Limit the maximum employment period for teachers hired on an emergency basis on or after July 1, 2008, to three years.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1540 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 875 Finance on H.B. No. 1054**

The purpose of this bill is to provide increased stability and predictability for principals and school community councils with respect to the weighted student formula by requiring the Committee on Weights to meet, and thereby re-open the weighted student formula, only once every odd-numbered year, rather than annually.

The Department of Education supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1054, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1054, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 876 Finance on H.B. No. 4**

The purpose of this bill is to help ensure educational stability and transferability for the children of military personnel who transfer to Hawaii by making permanent the Interstate Compact on Educational Opportunity for Military Children (Compact). This bill also amends the Compact by, among other things, clarifying military representation on the State Council on Educational Opportunity for Military Children within the Board of Education.

The Department of Education; The Chamber of Commerce of Hawaii; the Department of Defense State Liaison Office; The Oahu Veterans Council; the Military Officers Association of America, Hawaii Chapter; and the Hawaii State Commissioner for the Interstate Compact on Educational Opportunity for Military Children supported this bill. The general counsel for the Interstate Commission on Educational Opportunity for Military Children 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. 4, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 4, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 877 Finance on H.B. No. 159**

The purpose of this bill is to assist charter schools with the cost of facilities and facilities maintenance by establishing a funding formula for charter school facilities by which the Department of Education (DOE) must allocate funding.

The Hawaii Charter Schools Network, Kamehameha Schools, Hawaii Technology Academy, and several concerned individuals supported this bill. DOE, the Charter School Administrative Office, and Hookakoo Corporation provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 159, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 159, H.D. 1.

Signed by all members of the Committee.

**SCRep. 878 Finance on H.B. No. 198**

The purpose of this bill is to increase schools' opportunities to include fresh produce in the school meals program by authorizing schools to grow food in school gardens for consumption in the school meals program as long as the food products are inspected and certified as safe by the Department of Agriculture.

A concerned individual supported this bill. The Department of Education provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 198, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 198, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 879 Finance on H.B. No. 688**

The purpose of this bill is to protect students by:

- (1) Requiring the Department of Education (DOE) to maintain, monitor, and enforce anti-bullying and anti-harassment policies; and
- (2) Defining bullying, cyberbullying, and harassment.

Parents, Families and Friends of Lesbians, Gays, Transgendered, Bisexuals, Transgendered & Questioning, Pride At Work Hawaii, and several concerned individuals supported this bill. DOE opposed this bill. The Coalition for a Tobacco-Free Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting provisions requiring DOE to monitor and enforce policies related to bullying, cyberbullying, and harassment; and
- (2) Changing its effective date to July 1, 2030, 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. 688, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 688, H.D. 2.

Signed by all members of the Committee except Representative Har.

**SCRep. 880 Finance on H.B. No. 945**

The purpose of this bill is to address the unique needs of multi-track public schools by requiring these schools to meet the greater of 171 days or 90 percent of the minimum number of days required of other non-charter public schools for each respective school year.

Several concerned individuals supported this bill. The Department of Education opposed this measure. Several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Inserting an exemption of the minimum number of required instructional hours for multi-track public schools by specifying that these schools must meet 90 percent of the number of student instructional hours required in other non-charter public schools for each school year; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 945, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 945, H.D. 2.

Signed by all members of the Committee.

**SCRep. 881 Finance on H.B. No. 952**

The purpose of this bill is to maximize the use of public school lands and to generate income to construct, repair, and retrofit public schools to meet the challenges of the 21<sup>st</sup> century and beyond. Specifically, this measure:

- (1) Establishes the Public School Lands Trust, to which all public school trust lands from the Department of Education (DOE) are to be transferred;



- (2) Establishes the Public School Lands Trust Commission (Commission) within the Department of Land and Natural Resources (DLNR) for administrative purposes, to manage, administer, and control the Public School Lands Trust;
- (3) Requires the Commission to, among other things, identify underused public school lands and sites with redevelopment potential, develop plans to redevelop public school lands, and develop plans for generating revenues from public school trust lands;
- (4) Establishes the Public School Lands Trust Permanent Fund (Permanent Fund) and School Facilities Special Fund; and
- (5) Requires a portion of the proceeds generated by redevelopment projects to be deposited into the Permanent Fund.

The Land Use Research Foundation of Hawaii, Hawaii State Teachers Association, and several concerned individuals supported this bill. The Office of Hawaiian Affairs, Council Chair and two Councilmembers of the County of Maui County Council, and the City and County of Honolulu opposed this measure. DLNR, DOE, the Department of Budget and Finance, Mayor of the City and County of Honolulu, and the Hawaii Government Employees Association provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 952, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 952, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.  
(Representative Ward voted no.)

**SCRep. 882 Finance on H.B. No. 953**

The purpose of this bill is to provide for the required flexibility to recruit qualified individuals for certain leadership positions within the Department of Education by changing the salary cap for the deputy superintendent, assistant superintendents, and complex area superintendents from 80 percent of the superintendent's salary to 100 percent of the superintendent's salary.

The Department of Education supported this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 953, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 953, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 883 Finance on H.B. No. 566**

The purpose of this bill is to modify the Renewable Energy Technologies Income Tax Credit (Tax Credit) by:

- (1) Requiring a renewable energy technology system to be placed in service prior to January 1, 2017, to be eligible for the Tax Credit;
- (2) Stipulating that Tax Credits claimed during the 2012 taxable year will be paid out beginning July 1, 2013; and
- (3) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to complete an assessment by October 1, 2014, on the effectiveness and ongoing need for the Tax Credit after December 31, 2016.

Hawaii Solar Energy Association and The Solar Alliance supported this bill. DBEDT submitted comments.

Your Committee has amended this measure by:

- (1) Requiring Tax Credits to be claimed in the taxable year that is two years following the taxable year in which the cost was incurred;
- (2) Narrowing the scope of the Tax Credit for individuals by limiting the availability of the Tax Credit to residents of the State; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 566, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 566, H.D. 2.

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

**SCRep. 884 Finance on H.B. No. 1176**

The purpose of this bill is to establish a regulatory structure under which the Public Utilities Commission (PUC) can certify a cable company to commercially develop, finance, and construct an inter-island high-voltage electric transmission cable system to transmit clean, renewable energy in the State.

Hawaiian Electric Company and Enterprise Honolulu testified in support of this bill. Tawhiri Power LLC and Life of the Land testified in opposition to this measure. The PUC; Department of Business, Economic Development, and Tourism; and Office of Hawaiian Affairs submitted comments.

Your Committee amended this bill by:

- (1) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1176, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1176, H.D. 3.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 885 Finance on H.B. No. 1598**

The purpose of this bill is to support the local cacao industry by:

- (1) Temporarily exempting from the general excise tax amounts received for the sale of cacao from a producer or processed cacao from a processor; and
- (2) Requiring the Department of Agriculture (DOA) to:
  - (A) Collaborate with the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources to determine the best locations for a cacao-processing facility; and
  - (B) Report its findings and recommendations pertaining to the best locations for a cacao-processing facility to the Legislature at least 20 days prior to the convening of the Regular Session of 2012.

Several concerned individuals testified in support of this bill. DOA, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1598, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1598, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 886 Finance on H.B. No. 285**

The purpose of this bill is to provide a dedicated source of funding for the Department of Agriculture's (DOA) Measurement Standards Branch by establishing the Weights and Measurements Special Fund (Special Fund). In addition, this bill:

- (1) Requires DOA to adopt new rules or amend existing rules to impose or increase fees authorized to be charged under the Measurement Standards Program to generate sufficient revenues to pay for the operation and maintenance costs of the Program; and
- (2) Appropriates funds to be deposited into the Special Fund and used for the Measurement Standards Program.

The Hawaii Farm Bureau Federation supported this bill. The Department of Budget and Finance and DOA submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions requiring DOA to adopt or amend rules to impose or increase fees authorized to be charged under the Measurement Standards Program;
- (2) Statutorily establishing a schedule of fees authorized under the Program to be effective October 1, 2011;
- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 285, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 285, H.D. 2.

Signed by all members of the Committee.

**SCRep. 887 Finance on H.B. No. 866**

The purpose of this bill is to protect Hawaii's bee population by, among other things:

- (1) Allowing beekeepers to register with the Department of Agriculture (DOA);
- (2) Requiring that the name and business address of each registrant be made publicly available;
- (3) Stipulating that the registrations be effective for a period of one year;
- (4) Appropriating \$350,000 to establish an apiary program in DOA, including four permanent apiary positions; and
- (5) Requiring DOA to submit a report to the Legislature on the effectiveness of the beekeeper registration program in keeping accurate statistics on the beekeeping industry.

DOA and the Kauai County Farm Bureau testified in support of this bill. The Office of Information Practices provided comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the establishment of an apiary program within DOA from \$350,000 to an unspecified amount; and
- (2) Changing its effective date to July 1, 2030, 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. 866, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 866, H.D. 2.

Signed by all members of the Committee.

**SCRep. 888 Finance on H.B. No. 1277**

The purpose of this bill is to assist the State in developing a long-range management plan that assesses state and private agricultural water use, supply, and irrigation water systems by appropriating funds out of the Agricultural Development and Food Security Special Fund for the Department of Agriculture (DOA) to complete the Statewide Agriculture Water Use and Development Plan.

The Hawaii Farm Bureau Federation and Kauai County Farm Bureau supported this bill. DOA provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1277, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1277, H.D. 2.

Signed by all members of the Committee.

**SCRep. 889 Finance on H.B. No. 123**

The purpose of this bill is to assist the airline industry by exempting from the:

- (1) General excise tax amounts received from the sale of aviation fuel admitted into a foreign-trade zone and purchased by a common carrier for consumption or use in air transportation between two points in the State; and
- (2) Use tax amounts received from the use of aviation fuel admitted into a foreign-trade zone and used by a common carrier for consumption or use in air transportation between two points in the State.

The Department of Taxation, Tax Foundation of Hawaii, and Hawaiian Airlines provided comments on this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 123, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 123, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 890 Finance on H.B. No. 1020**

The purpose of this bill is to address concerns raised by the Department of Transportation (DOT) regarding, among other things, the jurisdiction of the Hawaii Community Development Authority (HCDA) and the resolution of debt and other financial issues concerning the Aloha Tower Complex by:

- (1) Establishing the Aloha Tower Complex area under the jurisdiction of HCDA;
- (2) Stipulating that DOT shall be responsible for the implementation of the harbors modernization plan;
- (3) Transferring all rights, powers, functions, duties, and assets, including leases, of the Aloha Tower Development Corporation to HCDA;
- (4) Transferring the Aloha Tower Fund to HCDA; and
- (5) Appropriating funds out of the Aloha Tower Fund for operating expenses for the Aloha Tower Complex.

DOT testified in supported of this measure. The Aloha Tower Development Corporation and HCDA 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. 1020, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 891 Finance on H.B. No. 1039**

The purpose of this bill is to assist the Department of Transportation (DOT) in addressing state highway transportation infrastructure needs. Among other things, this bill:

- (1) Authorizes DOT to issue revenue anticipation notes and bonds, also known as GARVEE bonds, for legislatively appropriated federal-aid highway program transportation projects;
- (2) Establishes a special trust fund in the State Highway Fund into which shall be deposited proceeds from the sale of GARVEE bonds;
- (3) Establishes criteria for the selection of state federal-aid highway program transportation projects that will be eligible to be financed through the use of GARVEE bonds; and
- (4) Requires the Director of Transportation to submit an annual report to the Governor and Legislature detailing:
  - (A) The total amount of GARVEE bonds issued;
  - (B) The projects financed by GARVEE bonds;
  - (C) The amount of GARVEE bond proceeds expended on each project;
  - (D) The status of the project;
  - (E) The estimated date of completion of projects not yet completed;
  - (F) The total amount of federal transportation funds paid to the department since the issuance of the GARVEE bonds; and
  - (G) The total amount of proceeds from the issuance of GARVEE bonds, state matching funds, and federal transportation funds applied by DOT in each fiscal year for the payment of GARVEE bonds and the costs associated with their issuance and administration.

The Department of Budget and Finance and DOT supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1039, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1039, H.D. 1.

Signed by all members of the Committee.

**SCRep. 892 Finance on H.B. No. 1090**

The purpose of this bill is to promote openness and transparency by allowing access to fuel data essential to energy planning and policy development. Specifically, this measure clarifies:

- (1) That an entire fuel tax return filed with the Director of the Department of Taxation (DOTAX) is a public record available for public inspection; and
- (2) That Environmental Response, Energy, and Food Security Tax returns are public records available for public inspection.

DOTAX and the Department of Business, Economic Development, and Tourism supported this bill. The Western States Petroleum Association; Garlow Petroleum, Inc.; Aloha Petroleum, Ltd.; and Mid Pac Petroleum, LLC, opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1090, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1090, H.D. 1.

Signed by all members of the Committee.

**SCRep. 893 Finance on H.B. No. 1240**

The purpose of this bill is to provide for a more equitable means for motor vehicle rental companies to recover vehicle licensing fees by allowing them to calculate the licensing, registration, and inspection fees and weight taxes passed on to consumers based on a good-faith estimate of actual cost.

EAN Holdings, LLC, supported this bill. The Office of Consumer Protection opposed this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1240, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1240, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 894 Finance on H.B. No. 608**

The purpose of this bill is to help ensure that organ transplant patients are able to remain in the Islands near their support networks and receive efficient and timely care by appropriating moneys to sustain a qualified provider with Centers for Medicare and Medicaid Services certification to provide kidney and liver transplant operations in Hawaii and maintain a federally-recognized chronic kidney disease management program.

The National Kidney Foundation of Hawaii and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Requiring dollar-for-dollar private matching funds;
- (2) Deleting the amount of the appropriation;
- (3) Changing its effective date to July 1, 2030, to promote 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. 608, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 608, H.D. 3.

Signed by all members of the Committee except Representative Har.

**SCRep. 895 Finance on H.B. No. 614**

The purpose of this bill is to reinstate hospital-based screening and assessments and improve home visiting services to high risk families of newborns by:

- (1) Establishing a hospital-based screening and assessment and intensive home visitation program within the Department of Health (DOH);
- (2) Appropriating funds from the Hawaii Tobacco Settlement Special Fund for hospital-based screening and assessment and intensive home visiting services; and
- (3) Appropriating funds from the Temporary Assistance for Needy Families Fund for intensive home visiting services.

DOH, the Department of Human Services, and the American Heart Association commented on this measure.

Your Committee has amended this bill by:

- (1) Increasing the special fund ceiling appropriation of the Hawaii Tobacco Settlement Special Fund to an unspecified amount for each year of the 2011-2013 fiscal biennium;
- (2) Deleting the appropriation amounts to enable further consideration on the financial aspects of the bill;
- (3) Changing its effective date to July 1, 2030, to facilitate continued 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. 614, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 614, H.D. 2.

Signed by all members of the Committee except Representative Har.

**SCRep. 896 Finance on H.B. No. 756**

The purpose of this bill is to promote building design that is accessible and usable by persons with disabilities by requiring the Disability and Communication Access Board (DCAB) to, among other things:

- (1) Charge fees for its review of building designs;
- (2) Establish a fee schedule that includes tiered fees based upon estimated construction costs; and
- (3) Establish an Accessible Building Design Special Account within the DCAB Special Fund.

This measure also establishes a temporary fee schedule based upon estimated construction costs.

The Department of Accounting and General Services and several concerned individuals supported this measure. The General Contractors Association of Hawaii and BIA-Hawaii opposed this measure. The Department of Design and Construction of the City and County of Honolulu and DCAB provided comments.

Your Committee has amended this bill by:

- (1) Removing the requirement that DCAB adopt rules to establish a fee schedule;
- (2) Removing the temporary fee schedule and instead establishing it statutorily;
- (3) Permitting DCAB to charge a \$3,000 maximum plan review fee on infrastructure projects, rather than public rights-of-way projects; 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. 756, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 756, H.D. 3.

Signed by all members of the Committee.

**SCRep. 897 Finance on H.B. No. 905**

The purpose of this bill is to increase the efficiency of delivering health and human services and eliminate gaps in service by requiring the Director of Health and the Director of Human Services to collaborate with contracted health and human services providers to develop and update annually a health and human services plan.

The State Procurement Office, the Department of Human Services, and the Department of Health offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 905, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 905, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 898 Finance on H.B. No. 129**

The purpose of this bill is to reduce substance abuse among pregnant women by appropriating \$200,000 for each year of fiscal biennium 2011-2013 for the Perinatal Addiction Treatment of Hawaii Clinic for case management and social services.

The Hawaii State Democratic Women's Caucus; Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii; The Drug Policy Action Group; The League of Women Voters of Hawaii; Planned Parenthood of Hawaii; Hawaii Women's Coalition; March of Dimes-Hawaii Chapter; Community Alliance on Prisons; The Drug Policy Forum of Hawaii; and several concerned individuals supported this bill. The Department of Health and Healthy Mothers Healthy Babies Coalition of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Replacing "Perinatal Addiction Treatment of Hawaii" with "The Path Clinic" to accurately reflect the clinic's name;
- (2) Specifying that the appropriation is a grant pursuant to Chapter 42F, Hawaii Revised Statutes;
- (3) Removing the appropriation amount;
- (4) Changing its effective date to July 1, 2030, 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. 129, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 129, H.D. 2.

Signed by all members of the Committee.

**SCRep. 899 Finance on H.B. No. 160**

The purpose of this bill is to meet the significant need for assistance for the elderly in Hawaii by providing additional funding for the Kupuna Care Program.

The Elderly Affairs Division of the City and County of Honolulu, Policy Advisory Board for Elder Affairs, AARP Hawaii, Lanakila Pacific, Catholic Charities Hawaii, National Multiple Sclerosis Society, and numerous concerned individuals testified in support of this measure. The Executive Office on Aging and Maui County Office on Aging provided comments.

Your Committee has amended this bill by:

- (1) Deleting specific references to programs receiving funding as part of the Kupuna Care Program;
- (2) Changing the appropriation amount from \$3,500,000 to an unspecified amount;
- (3) Changing its effective date to July 1, 2030, 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. 160, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 160, H.D. 2.

Signed by all members of the Committee.

**SCRep. 900 Finance on H.B. No. 761**

The purpose of this bill is to change references in the law from "mental retardation", or similar terms, to "intellectual disability", or like terms.

The Department of Health, the State Council on Developmental Disabilities, the Kauai Developmental Disabilities Committee, the Maui Developmental Disabilities Committee, the Disability and Communication Access Board, the Special Education Advisory Council, Best Buddies Hawaii, and numerous concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 761, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 761, H.D. 1.

Signed by all members of the Committee.

**SCRep. 901 Finance on H.B. No. 978**

The purpose of this bill is to provide comprehensive health care services to individuals on the island of Maui by authorizing the Hawaii Health Systems Corporation to lease Kula Hospital's medical clinic and all of its equipment, furnishings, and fixtures, to Malama I Ke Ola Health Center (Health Center) at an undetermined rate for a period of ten years, with the option to renew the lease for up to two additional terms of five years each. The lease transaction would be subject to the Procurement Code and other relevant laws.

The Kula Community Association and Health Center supported this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 978, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 978, H.D. 2.

Signed by all members of the Committee.

**SCRep. 902 Finance on H.B. No. 1045**

The purpose of this bill is to apply consistent regulatory treatment to health maintenance organizations, mutual benefit societies, fraternal benefit societies, managed care plans, and similar risk-bearing entities by adopting the National Association of Insurance Commissioners' Risk-Based Capital for Health Organizations Model Act. Among other things, this measure:

- (1) Adds the definitions of "benefit society", "health maintenance organization", and "domestic insurer" to the Hawaii Insurance Code;
- (2) Codifies parameters by which a benefit society or health maintenance organization's risk-based capital shall be determined;
- (3) Establishes under what circumstances a property and casualty insurer, a benefit society, or health maintenance organization is required to file a risk-based capital report;
- (4) With respect to a benefit society or health maintenance organization in the event of a mandatory control level event, provides the Insurance Commissioner with the power to take any actions necessary to cause an insurer to be placed under regulatory control with respect to a benefit society or health maintenance organization;
- (5) Establishes various confidentiality and disclosure requirements for the Insurance Commissioner for certain risk-based capital reports and risk-based capital plans; and
- (6) Allows the Insurance Commissioner to provide various exemptions from risk-based capital requirements to domestic benefit societies or health maintenance organizations that meet certain criteria.

The State Insurance Commissioner and Hawaii Medical Service Association 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. 1045, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1045, H.D. 1.

Signed by all members of the Committee.

**SCRep. 903 Finance on H.B. No. 1203**

The purpose of this bill is to support the ongoing assessment and planning of the physician workforce in Hawaii by:

- (1) Making the Physician Workforce Assessment Fee permanent by repealing the sunset date of Act 18, Special Session Laws of Hawaii 2009; and



- (2) Requiring any excess funds from the John A. Burns School of Medicine (JABSOM) Special Fund to be used for certain reimbursement and educational purposes.

JABSOM of the University of Hawaii testified in support of this bill. The Hawaii Medical Board testified in opposition to this measure. The Hawaii Medical Association provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1203, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1203, H.D. 2.

Signed by all members of the Committee.

**SCRep. 904 Finance on H.B. No. 1303**

The purpose of this bill is to require the Hawaii Public Housing Authority to, among other things:

- (1) Assess a community facilities maintenance fee of at least one percent of the community facility expenses for each community facilities unit;
- (2) Notify all tenants in writing of any community facilities maintenance fee increase at least 30 days in advance of an increase; and
- (3) Establish a schedule that sets forth the minimum rent for state public housing units by number of bedrooms and type of housing project.

Several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1303, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1303, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 905 Finance on H.B. No. 231**

The purpose of this bill is to improve the safety of those living in public housing by:

- (1) Requiring that visitors on the premises of a public housing project obtain a visitor's pass from the manager of the public housing project or manager's designee; provided that a visitor's pass shall only be issued to a person who has been invited onto the premises by an adult tenant of the public housing project;
- (2) Requiring the Hawaii Public Housing Authority to implement rules for issuing visitor's passes;
- (3) Including those who remain unlawfully in or upon the premises of public housing after reasonable warning or request to leave by housing management or police as an act of criminal trespass in the first degree; and
- (4) Establishing a pilot project for increased safety and security at Mayor Wright Homes.

Several concerned individuals supported this bill. The American Civil Liberties Union of Hawaii opposed this bill. The Hawaii Public Housing Authority 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. 231, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 906 Finance on H.B. No. 1584**

The purpose of this bill is to establish a permanent commission to explore opportunities for fostering international relationships, particularly when large international events are held in the State, beginning with the upcoming Asia-Pacific Economic Cooperation summit taking place in Honolulu in November 2011.

The Department of Business, Economic Development, and Tourism offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1584, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Har.

**SCRep. 907 Finance on H.B. No. 718**

The purpose of this bill is to assist former foster youth in living in a safe and secure environment when transitioning to adulthood by allowing the Department of Human Services (DHS) to develop and administer a program to assist former foster youth who have attained the age of 18 with finding and retaining housing.

The Office of Hawaiian Affairs, Hawaii Youth Services Network, Hawaii Family Forum, and a concerned individual supported this bill. DHS provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 908 Finance on H.B. No. 1326**

The purpose of this bill is to help ensure a unified and comprehensive approach to education in Hawaii by requiring the University of Hawaii Board of Regents to:

- (1) Periodically review the priority guidelines for quality education;
- (2) Recommend amendments to the Legislature;
- (3) Develop a functional plan that includes strategic goals, outcomes, and performance indicators; and
- (4) Report biennially to the Legislature.

The University of Hawaii 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. 1326, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1326, H.D. 2.

Signed by all members of the Committee.

**SCRep. 909 Finance on H.B. No. 1513**

The purpose of this bill is to continue the success of the Weed and Seed Program (Program) in reducing violent crime and drug use on Oahu by:

- (1) Establishing a permanent Program within the Department of Labor and Industrial Relations (DLIR); and
- (2) Appropriating unspecified funds to maintain the Program in areas currently designated for Weed and Seed strategy and expand the Program to other areas of the State.

Honolulu Police Department; Kalihi Baptist Church; Kalihi Ahuapa‘a Ulu Pono Ahahui (KAUPA); Boys and Girls Club of Hawaii; Meridian Pacific, Ltd.; The Gentry Companies; Haseko Development, Inc.; Pacific Gateway Center; Broadcast House of the Pacific, Inc.; D.R. Horton-Schuler Division; Meadow Gold Dairies; Hawaii's Most Wanted Magazine; Principal of Linapuni Elementary School; Principal of Farrington High School; Principal of Waipahu Elementary School; Principal of Waipahu High School; Village Park Community Association; and numerous concerned individuals and community members testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1513, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 910 Finance on H.B. No. 1034**

The purpose of this bill is to appropriate and authorize emergency funds for health premium payments to fund Fiscal Biennium 2009-2011 Hawaii Employer-Union Health Benefits Trust Fund costs contained in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 13, and their excluded counterparts.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 98 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

The Department of Budget and Finance and Hawaii Government Employees Association testified in support of this bill. A concerned individual testified in opposition to this measure.

Your Committee notes that the emergency appropriation contained in this measure is for the purpose of supplementing the funding for the employer contribution to the Hawaii Employer-Union Health Benefits Trust Fund for the period March 1, 2011, up to and including June 30, 2011, in response to a Memorandum of Agreement entered into on December 23, 2010, between the employer and the union.

Your Committee further notes that the Memorandum of Agreement, by its own terms, is effective on March 1, 2011, up to and including June 30, 2011.

Therefore, this emergency appropriation is simply an appropriation for the current fiscal year and is not and should not be construed as an approval or agreement by the Legislature to any cost item or any level of employer contribution after June 30, 2011.

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. 1034, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1034, H.D. 1.

Signed by all members of the Committee.

**SCRep. 911 Finance on H.B. No. 467**

The purpose of this bill is to provide additional protection to public employees who report violations of the law and other improper activities. Specifically, this bill prohibits a public employer from taking certain threatening or discriminatory actions against a public employee who reports or is about to report:

- (1) Any violation or suspected violation of federal, state, or county law, rule, ordinance, or regulation;
- (2) Any violation or suspected violation of a contract executed by the State, political subdivision of the State, or the United States; or
- (3) Any condition that may significantly threaten the health or safety of the public or the public employee, if the disclosure is made for the purpose of remedying the condition.

The Hawaii Government Employees Association and a concerned individual supported this bill. The Department of Labor and Industrial Relations (DLIR) submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provision relating to reports of a condition that may significantly threaten the health or safety of the public or the public employee to leave unfettered the DLIR's ability to timely investigate and provide appropriate remedies and penalties for violations;
- (2) Specifying that the application of section 396-8(e), Hawaii Revised Statutes, relating to whistleblower protections for workers who are discriminated against for exercising their rights under the Hawaii Occupational Safety and Health Law, be included in the workplace notices required to be posted under this measure; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 467, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 467, H.D. 2.

Signed by all members of the Committee.

**SCRep. 912 Finance on H.B. No. 341**

The purpose of this bill is to protect the rights of employees by making it an unlawful practice for any 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. This bill also allows an employer or labor organization to require an employee who uses three or more consecutive days of sick leave to provide written verification from a physician indicating that the employee was ill when the sick leave was used.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii State AFL-CIO, International Brotherhood of Electrical Workers (IBEW), IBEW Local 1260, and a concerned individual supported this bill. The Chamber of Commerce of Hawaii; First Hawaiian Bank; Society for Human Resource Management–Hawaii Chapter; National Federation of Independent Business; Hawaiian Telcom; Retail Merchants of Hawaii; Hawaii Credit Union League; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Limited; opposed this bill. The Department of Labor and Industrial Relations submitted comments.

Your Committee has amended this measure by:

- (1) Limiting its scope by making it applicable to employers with 100 or less employees, instead of any employer; and
- (2) Changing its effective date to July 1, 2030, 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. 341, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 341, H.D. 3.

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

**SCRep. 913 Finance on H.B. No. 1041**

The purpose of this bill is to:

- (1) Eliminate Medicare Part B reimbursements for employee-beneficiaries who are hired after June 30, 2011, and for the spouses of employee-beneficiaries who are hired after June 30, 2011; and
- (2) Establish an accrual schedule for Medicare Part B reimbursements for employee-beneficiaries who retire with less than ten years of credited service.

Imua Alliance and a concerned individual testified in support of this bill. The Hawaii Government Employees Association and several individuals testified in opposition to this measure. The Department of the Attorney General, the City and County of Honolulu Department of Budget & Fiscal Services, and a concerned individual commented on this measure.

Upon consideration, your Committee has amended this bill by:

- (1) Eliminating the accrual schedule for Medicare Part B reimbursements for employee-beneficiaries who retire with less than ten years of credited service; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee's prospective application of the provisions in this bill and the deletions made from the H.D. 1 version of this bill are not an endorsement of the theory that benefits accrue at any particular time or that benefits accrue at all.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1041, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 914 Finance on H.B. No. 837**

The purpose of this bill is to allow good cause to be found for an individual voluntarily leaving part-time employment where eligibility for partial unemployment has been established and any of the following conditions contributed to the voluntary leaving:

- (1) Loss of full-time work with a regular employer made it economically unfeasible to continue part-time employment;
- (2) The part-time employment was outside of the individual's customary occupation and would not have been considered suitable work at the time of accepting part-time employment;
- (3) The employer failed to provide sufficient advance notice of a work schedule change;
- (4) There was a work schedule conflict with the regular full-time employer; or
- (5) Any other factor relevant to a determination of good cause.

The Department of Labor and Industrial Relations and ILWU Local 142 testified in support of this bill. The Chamber of Commerce of Hawaii testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 837, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 837, H.D. 2.

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

**SCRep. 915 Finance on H.B. No. 1038**

The purpose of this bill is to establish retirement benefits for state and county employees who become members of the Hawaii Employees' Retirement System (ERS) after June 30, 2012, that are different from the retirement benefits of current employees. Changes provided in this bill for employees who become members of ERS after June 30, 2012, include:

- (1) Raising the employee contribution rates;
- (2) Increasing the period for calculating average final compensation from three years to five years; and
- (3) Increasing the vesting period from five to ten years.

The Department of Budget and Finance and ERS supported this bill. A concerned individual opposed this measure.

Your Committee has amended this measure by incorporating the substance of the following House Bills introduced in the Regular Session of 2011, all of which were heard by your Committee:

- (1) House Bill No. 1037, which increases the contribution rates for employer contributions to the ERS beginning in fiscal year 2012-2013;
- (2) House Bill No. 817, which reduces the percentage of regular interest to be credited to a new public employee's retirement account from 4.5 percent per year to two percent per year;
- (3) House Bill No. 1142, which establishes the retirement age for state and county employees who become members of the ERS after June 30, 2012; and
- (4) House Bill No. 1143, which reduces the investment yield rate assumption for the ERS to 7.75 percent for the fiscal year ending June 30, 2011, and authorizes the ERS Board of Trustees to set the investment yield rate assumption after June 30, 2011, based on recommendations of the actuary.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1038, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1038, H.D. 2.

Signed by all members of the Committee except Representatives Hashem and Tokioka.

**SCRep. 916 Finance on H.B. No. 1051**

The purpose of this bill is to protect consumers, particularly seniors, from abusive financial services practices by adopting model regulations of the National Association of Insurance Commissioners in compliance with the senior investor protections of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The Department of Commerce and Consumer Affairs and the National Association of Insurance and Financial Advisors testified in support of this bill. The American Council of Life Insurers commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2012, to enable companies to comply with the requirements of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1051, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1051, H.D. 2.

Signed by all members of the Committee.

**SCRep. 917 Finance on H.B. No. 1411**

The purpose of this bill is to implement a comprehensive strategy to reform the foreclosure laws in Hawaii by replacing the existing non-judicial foreclosure process with a new non-judicial process.

FACE Hawaii, and several concerned individuals supported this bill. Hawaii Bankers Association, Hawaii Financial Services Association, and Hawaii Credit Union League opposed this measure. The Judiciary, Department of Commerce and Consumer Affairs, Hawaii Association of REALTORS, and USAA submitted comments.

Your Committee has amended this measure by:

- (1) Inserting an appropriation to pay for the initial costs associated with establishing a dispute resolution program to avoid or mitigate the damages of foreclosure; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1411, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1411, H.D. 2.

Signed by all members of the Committee.

**SCRep. 918 Finance on H.B. No. 1009**

The purpose of this bill is to provide better protection to the public by ensuring that employers and licensing agencies get up-to-date criminal history information. Specifically, this bill will allow the State to retain, indefinitely, fingerprints of employment and licensing applicants for whom criminal history record checks are authorized statutorily so that the State can implement a statewide "Rapback" program, which will allow employers to request notification if applicants are arrested in the future.

The Department of the Attorney General supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1009, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1009, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Choy and Yamashita.

**SCRep. 919 Finance on H.B. No. 1532**

The purpose of this bill is to help alleviate unnecessary appeals to the Tax Appeal Court by requiring:

- (1) A real property tax assessment appellant to obtain an initial decision from an administrative body established by the county when required to do so by county law; and
- (2) The notice of appeal to be accompanied with a copy of the decision rendered by the administrative body.

The Mayor of the County of Maui, Real Property Tax Division of the County of Maui, a Councilmember of the Maui County Council, City and County of Honolulu Real Property Assessment Division, and County of Hawaii Department of Finance-Real Property Tax testified in support of this bill. A concerned individual testified in opposition to this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Inserting a savings clause; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1532, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1532, H.D. 2.

Signed by all members of the Committee.

**SCRep. 920 Finance on H.B. No. 257**

The purpose of this bill is to increase the transparency of the electoral system by expanding reporting requirements and modifying reporting deadlines by, among other things:

- (1) Defining "address", "automated phone call", and "matching payment period" to provide clarity to the State's Campaign Finance Law;
- (2) Providing that the information required in an advertisement, such as identifying the person paying for or placing the advertisement and the approval and authority of the candidate, be stated at the beginning of an advertisement via automated phone call;

- (3) Imposing a \$100 fine for the late filing or failure to file, as the case may be, an organizational report, electioneering communication statement of information, notice of intent to hold a fundraiser, and public funds report;
- (4) Requiring that reports of candidate or noncandidate committees that are filed electronically be certified as true and correct by the candidate or specified officers of the committee, or both, depending on the type of committee;
- (5) Revising existing preliminary report filing dates and establishing new supplemental report filing dates for candidate committees;
- (6) Requiring noncandidate committees to include in their reports:
  - (A) Contribution information, including the amount, date, and the name and address of the candidate committee or noncandidate committee to which the contribution was made; and
  - (B) For independent expenditures, the name of the candidate who is supported or opposed by the expenditure;
- (7) Establishing an unspecified maximum price for the purchase of tickets for events held by another candidate or noncandidate committee when using campaign funds;
- (8) Limiting qualifying contributions to no more than \$100 during each matching payment period for purposes of receiving public campaign funds; and
- (9) Repealing the income tax deduction for contributions to candidates qualifying for voluntary campaign expenditure limits.

The Campaign Spending Commission testified in support of this bill. Americans for Democratic Action Hawaii and Common Cause Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Correcting statutory references to sections that authorize the collection of fines for the failure to file or the filing of a substantially defective or deficient campaign spending report;
- (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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 257, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 257, H.D. 2.

Signed by all members of the Committee.

**SCRep. 921 Finance on H.B. No. 1065**

The purpose of this bill is to ensure timely payments to contracted health plans and a continuum of medically-necessary services to Medicaid Program recipients by making an emergency appropriation for fiscal year 2010-2011 for the health care payments program (HMS 401) in the Department of Human Services (DHS).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 101 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing the need to address the budget shortfall for the health care payments program for fiscal year 2010-2011.

DHS, Hawaii Medical Service Association, AlohaCare, and 'Ohana Health Plan 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. 1065, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1065, H.D. 1.

Signed by all members of the Committee.

**SCRep. 922 Finance on H.B. No. 1066**

The purpose of this bill is to make the following emergency appropriations from the general fund:

- (1) \$11,523,511 for fiscal year (FY) 2010-2011 to the Department of Human Services (DHS) for cash support for families – self-sufficiency (HMS 211) to address the funding shortfall for cash support payments for families with dependent children; and
- (2) \$47,322,170 for FY 2010-2011 to DHS for general support for self-sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts.

DHS and Helping Hands Hawaii testified in support of this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 102 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

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

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

Signed by all members of the Committee.

**SCRep. 923 Finance on H.B. No. 809**

The purpose of this bill, as received by your Committee, is to assist the State in addressing its fiscal needs by:

- (1) Temporarily increasing--from July 1, 2011, to June 30, 2015--the transient accommodations tax (TAT) rate assessed on the occupants of resort time share vacation units by an unspecified amount; and
- (2) Depositing the revenues collected from the increase into the general fund.

Prior to the hearing, your Committee circulated for consideration and received testimony on a Proposed House Draft 2 of H.B. No. 809. As proposed, the purpose of H.B. No. 809, H.D. 2, is to assist the State in addressing its fiscal needs by:

- (1) Temporarily increasing--from July 1, 2011, to June 30, 2015--the TAT rate assessed on the occupants of resort time share vacation units by two percent; and
- (2) Depositing the revenues collected from the increase into the general fund.

The Proposed H.D. 2 would also take effect on July 1, 2011.

The Department of Taxation supported this bill. The Waikiki Improvement Association; Resort Owners' Coalition of the American Resort Development Association; American Resort Development Association-Hawaii; PAHIO Development, Inc.; Disney Vacation Club-Hawaii; RCI, LLC; Starwood Vacation Ownership; Ocean Resort Villas Vacation Owners Association; Hilton Grand Vacations; Wyndham Worldwide; Kaanapali Ocean Resort Villas Owners Association; Marriott Vacation Club International; The Imperial Hawaii Resort; and numerous concerned individuals testified in opposition to this measure. The Department of Budget and Finance, Tax Foundation of Hawaii, and numerous concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the proposed H.B. No. 809, H.D. 2;
- (2) Inserting a repeal date of June 30, 2015; 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. 809, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 809, H.D. 2.

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

**SCRep. 924 Finance on H.B. No. 526**

The purpose of this bill is to support the establishment of a high technology park in the State by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to work with the Department of Land and Natural Resources (DLNR) and the City and County of Honolulu to identify appropriate lands on Oahu that may be acquired for a high technology park;
- (2) Requiring DBEDT to consult with the High Technology Development Corporation (HTDC) and the City and County of Honolulu to plan for the establishment of the high technology park, including provisions for HTDC to manage and oversee the park's operations in cooperation with other government agencies and private entities; and
- (3) Appropriating an unspecified amount of funds for land acquisition, planning, design, equipment, and construction costs related to the infrastructure for the high technology park.

The High Technology Development Corporation testified in support of this bill. DLNR testified in opposition to 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. 526, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 925 Finance on H.B. No. 1308**

The purpose of this bill is to spur the growth of the digital media industry in Hawaii by:

- (1) Establishing digital media enterprise subzones in geographic areas surrounding University of Hawaii campuses that are also within existing enterprise zones;
- (2) Providing tax benefits for the development, construction, renovation or operation of qualified digital media infrastructure projects within a digital media enterprise subzone;
- (3) Renaming the Hawaii Television and Film Development Board the Hawaii Film Office Board;
- (4) Renaming the Hawaii Television and Film Development Special Fund the Hawaii Film Office Special Fund;
- (5) Providing that the rent from usage of the Hawaii Film Studio and fees collected for processing taxpayer letters and the tax credit certification program will temporarily be deposited into the Hawaii Film Office Special Fund; and
- (6) Providing that the Hawaii Film Office Special Fund will be used initially to fund the Hawaii Film Office and later a grant and venture capital program to support eligible Hawaii film projects.

The Department of Business, Economic Development, and Tourism, Department of Taxation, Office of Information Practices, University of Hawaii, and Tax Foundation of Hawaii provided comments on this bill.

Your Committee has amended this bill by:

- (1) Increasing the tax credit recapture to 90 percent of the amount of the total tax credit claimed in the preceding two taxable years; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1308, H.D. 2.

Signed by all members of the Committee.

**SCRep. 926 Finance on H.B. No. 1642**

The purpose of this bill is to support high technology research in Hawaii by extending the existing tax credit for research activities (Credit) to December 31, 2015. This bill also establishes an annual aggregate cap on the Credit.

The Hawaii Strategic Development Corporation, High Technology Development Corporation, Oceanit, Referentia Systems Incorporated, Pukoa Scientific, Williams Aerospace, and several concerned individuals supported this bill. The Department of Taxation (DOTAX), Tax Foundation of Hawaii, and The Chamber of Commerce of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Requiring DOTAX to collect data regarding the Credit;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1642, H.D. 2.

Signed by all members of the Committee.

**SCRep. 927 Finance on H.B. No. 1529**

The purpose of this bill is to accurately reflect the ever-changing goals and direction of the State by establishing a temporary task force to begin a dialogue leading toward the updating of the Hawaii State Planning Act and to provide for a review of the current budget planning process.

The Representative from the first district and Windward Ahupuaa Alliance supported this bill. The Office of Planning and Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Adding a purpose section;
- (2) Detailing the duties of the task force relating to its review of the planning, programming, and budgeting system of the State;
- (3) Clarifying the task force shall be composed of, among other members:
  - (A) A Senator appointed by the President of the Senate; and
  - (B) A Representative appointed by the Speaker of the House of Representatives;
- (4) Authorizing the task force, in developing its preliminary recommendations, to conduct meetings without regard to chapter 92, Hawaii Revised Statutes, which deals with public agency meetings and records;
- (5) Requiring the task force to adopt its final recommendations, prepare an interim report, and draft any proposed legislation by no later than December 15, 2011, for submission to the legislature for its consideration in the 2012 Regular Session; and
- (6) Allowing the task force to reconvene if its recommendations are approved by the Legislature, begin public hearings on recommendations, and set guidelines regarding public hearings and notices.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1529, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1529, H.D. 2.

Signed by all members of the Committee.

**SCRep. 928 Finance on H.B. No. 1551**

The purpose of this bill is to enhance economic growth and strengthen the State's film industry by providing enhanced incentives to attract more film and television productions to the State by, among other things:

- (1) Providing a tax credit for qualified media infrastructure projects;
- (2) Removing the existing cap on the motion picture, digital media, and film production income tax credits; and
- (3) Establishing a qualified persons crew training program rebate.

A Maui County Council member; ILWU Local 142; Hawaii LECET, Relativity Media, LLC; On Location Services; and numerous concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii commented on this measure.

Upon consideration, your Committee has amended this bill by:

- (1) Repealing all provisions relating to the assignment of tax credits;
- (2) Repealing the cap on the total production of tax credits claimed for qualified media infrastructure projects;
- (3) Deleting references to bank loan finance fees from the definition of "qualified production costs";
- (4) For the purpose of continued discussion on the financial aspects of the bill, deleting all percentage amounts, dollar amounts, lien amounts, and collateral security amounts, and time specifications associated with qualified media infrastructure project tax credits;
- (5) Changing its effective date to July 1, 2030, to facilitate continued 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. 1551, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1551, H.D. 2.

Signed by all members of the Committee.

**SCRep. 929 Judiciary on H.B. No. 909**

The purpose of this bill is to provide effective procedures for the division of property in divorce proceedings by establishing a system for the division of marital assets based on the commercial partnership model for winding up duties and chargeable marital estate reduction principals.

The Family Court Intervention Task Force and several individuals supported this measure. One concerned individual supported this bill with amendments. The Family Law Section of the Hawaii State Bar Association opposed this measure. The Judiciary submitted comments.

Your Committee finds the concerns and suggestions from the Family Law Section of the Hawaii State Bar Association raise important points. Accordingly, your Committee has incorporated those suggestions by:

- (1) Deleting sections 1 and 2 from the measure that applied a statutory business partnership model to the division of marital assets; and
- (2) Adding language to the remaining sections 3, 4, and 5 of the measure to more clearly authorize the family court to issue financial restraining orders, and more clearly specify that unauthorized dissipation of marital assets may be considered by the court in issuing further orders or ordering payment of attorney's fees and costs.

As affirmed by the record of votes of 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. 909, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 909, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 930            Judiciary on H.B. No. 1003**

The purpose of this bill is to provide greater protection to victims of domestic violence by establishing first and second degree murder, second degree assault, and first degree terroristic threatening for a person who causes death or bodily injury to another person or threatens another person:

- (1) From whom the defendant has been restrained, by order of any court from contacting, threatening, or physically abusing pursuant to domestic abuse protective orders;
- (2) Who is being protected by a police officer ordering the defendant to leave the premises of that protected person during the effective period of the restraining order; or
- (3) Who is known by the defendant to be a witness in a family court case and the killing is related to the person's status as a witness.

The Attorney General, Honolulu Police Department, Department of the Prosecuting Attorney of the County of Maui, Hawaii County Police Department, Domestic Violence Action Center, and Hawaii State Coalition Against Domestic Violence testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1003, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 931            Judiciary on H.B. No. 613**

The purpose of this bill is to provide Hawaii consumers with greater flexibility, coverage, and pricing options for accident and health or sickness insurance by making permanent provisions that permit small accident and health or sickness insurers who lack coercive power in the marketplace to bundle different classes of insurance.

The Hawaii Medical Assurance Association testified in support of this bill. The Department of Commerce and Consumer Affairs, State Auditor, and Hawaii Medical Service Association testified in opposition to this measure.

Your Committee has amended this bill by changing its effective date to January 7, 2059, 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. 613, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 613, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 932            Judiciary on H.B. No. 1339**

The purpose of this bill is to authorize county liquor commissions to prescribe rules limiting, within constitutional bounds, the expression and conduct of patrons on licensed premises. This measure also requires each liquor commission to include a definition of "dancing" within its rules.

The American Civil Liberties Union of Hawaii and many concerned individuals supported this bill. The Department of Liquor Control of Maui County opposed this measure. Several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Requiring each liquor commission to adopt rules by July 1, 2012, rather than July 1, 2011;
- (2) Changing its effective date to January 1, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1339, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 933            Judiciary on H.B. No. 845**

The purpose of this bill is to require lessors to either extend the term of an existing long-term commercial, industrial, or residential ground lease, or offer to sell the fee simple interest in the land to the lessee for the amount fixed by an appraiser's determination of the leased-fee interest in the land. These provisions apply to counties with a population of 100,000 or more.

‘Iolani Banyan Cooperative Association, Date-Laau Community Association, Lani Home Coop Association, and numerous concerned individuals testified in support of this bill. Kamehameha Schools; K.J.L. Associates; Loyalty Development Company, Ltd.; Hawai‘i Association of REALTORS®; Queen Emma Land Company; Reit Management & Research LLC, Pacific Region; Building Industry Association of Hawaii; Alexander & Baldwin, Inc.; Land Use Research Foundation of Hawaii; Ashford & Wriston; Hawaii Reserves, Inc.; W.H. Shipman Limited; and several concerned individuals testified in opposition to this measure. Several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Making the extension of long-term ground leases and the sale of leased fee interest in land apply only to long-term residential ground leases, rather than to long-term commercial and industrial ground leases as well;
- (2) Establishing a process of arbitration, rather than a process of appraisal, to be applied to situations when the lessor and lessee are unable to agree on a rental rate; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, and to conform with the foregoing amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 845, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 845, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Herkes, Ito, Morita and Rhoads.  
(Representative Fontaine voted no.)

**SCRep. 934            Judiciary on H.B. No. 227**

The purpose of this bill is to help protect owners and occupants of unimproved and unused land by making entering or remaining unlawfully on unimproved or unused agricultural lands without permission an offense of criminal trespass in the second degree if the lands are fenced, enclosed, or secured, or a sign is displayed.

This bill also includes entering or remaining on agricultural lands that are fallow or have evidence of livestock at the time of entry in the offense of trespass in the second degree.

Big Island Farm Bureau; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; and a concerned individual supported this bill. The Department of Land and Natural Resources and Hawaii Farm Bureau Federation supported this measure with amendments. The Office of the Public Defender and Office of Hawaiian Affairs opposed this bill. The Department of the Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Including a definition of "unimproved or unused land";
- (2) Specifying that the lands must be fenced, enclosed, or secured in a manner designed to exclude the general public, rather than intruders;
- (3) Specifying that the displayed sign must read "Private Property – No Trespassing" rather than "Private Property";
- (4) Permitting the displayed sign to include a substantially similar message to that in paragraph (3) above;
- (5) Permitting the signs to be placed at reasonable intervals;
- (6) Changing its effective date to January 7, 2059, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 227, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 227, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 935            Judiciary on H.B. No. 1230**

The purpose of this bill is to streamline the county permitting process for the construction of low-risk nonresidential temporary or permanent structures used for agricultural or aquacultural operations by exempting those structures from the county permitting process provided:

- (1) The tenant agrees to defend, indemnify, and hold harmless the State and its agencies and employees from all liability or waive any immunity from liability; and
- (2) Any permanent structure is built in accordance with the latest version of the International Code Council.

Hawaii Aquaculture and Aquaponics Association, East Oahu County Farm Bureau, Hawaii Farm Bureau, Land Use Research Foundation of Hawaii, and several concerned individuals testified in support of this bill. The State Fire Council, Honolulu Fire Department, Maui Department of Fire and Public Safety, and Kauai Fire Department testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Adding language to clarify that the owner or occupier is the party who must waive immunity and liability on the part of the State, its agencies, and employees; and
- (2) Changing the required version of the International Building Code to be that which has been adopted by the respective counties.

As affirmed by the record of votes of 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. 1230, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1230, H.D. 2.

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

**SCRep. 936            Judiciary on H.B. No. 1524**

The purpose of this bill is to help deter agricultural theft by establishing that possession of more than five pounds of an agricultural product while on the premises and without the consent of the owner is prima facie evidence that the product is or has been stolen, unless a bill of sale is provided.

The Office of the Prosecuting Attorney, Hawaii Farm Bureau, Waimanalo Agricultural Association, and several concerned individuals supported this bill. The Department of Agriculture and Land Use Research Foundation of Hawaii supported the intent of this measure. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill by:

- (1) Inserting provisions that require anyone sentenced for theft in the first, second, third, or fourth degree for theft of an agricultural product or commodity to pay restitution to the victim equal to the value of what was stolen and the cost of replanting;
- (2) Removing language that makes the possession of more than five pounds of an agricultural product of the type that is grown on the premises prima facie evidence that the product is or has been stolen;
- (3) Removing the presumption that the lack of required ownership and movement certificates while in possession of agricultural products is prima facie evidence that the products are or have been stolen;
- (4) Including in the offense of second degree theft the failure to maintain a required certificate of ownership or other written proof of ownership of commercial quantities of agricultural commodities while in possession of those commodities; 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. 1524, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1524, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.

**SCRep. 937            Judiciary on H.B. No. 117**

The purpose of this bill is to allow for the expeditious and efficient processing and approval of minor development projects in the coastal special management areas of the counties by eliminating the triggering valuation of \$125,000 that determined the need for:

- (1) A Special Management Area Minor Permit (Minor Permit) for development projects that had no substantial adverse environmental or ecological effects when taking into account potential cumulative effects; or
- (2) A Special Management Area Use Permit (Use Permit) for development projects that may have a substantial adverse environmental or ecological effect when taking into account potential cumulative effects.

The Kauai County Planning Department, City and County of Honolulu Department of Planning and Permitting, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Maui Electric Company, and Hawaii Association of REALTORS testified in support of this bill. The Office of Hawaiian Affairs, Hawaii's Thousand Friends, Sierra Club-Hawaii Chapter, the Coastal Resources and Shoreline Planner for Maui County, and a concerned individual opposed this measure. The Department of Business, Economic Development, and Tourism commented on this bill.

Your Committee has amended this bill by:

- (1) Amending the definition of development to exclude a single-family residence which does not exceed 10,000 square feet of floor area;
- (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. 117, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 117, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 938            Judiciary on H.B. No. 548**

The purpose of this bill is to protect owners and occupiers of private or public lands that are not open to the public by:

- (1) Holding authors or publishers of visitor-guide websites or visitor guide publications who knowingly or negligently encourage or invite any person to enter or remain on lands that are not open to the public civilly liable for injury to or death of the person; and
- (2) Requiring the authors or publishers to defend and indemnify the owner or occupier of public or private land from any liability arising from injury to or death of the person.

The Department of Land and Natural Resources; Hawaii Tourism Authority; Hawaii Farm Bureau Federation; Hawaii Cattlemen's Council, Inc.; Grove Farm Company, Inc.; Kamehameha Schools; Land Use Research Foundation of Hawaii; and Big Island Farm Bureau testified in support of this measure. The American Civil Liberties Union of Hawaii; Hawaii Chapter of the Sierra Club; Association of American Publishers, Inc.; Media Coalition; Society of Professional Journalists; Wizard Publishing, Inc.; and several concerned individuals opposed this bill. The Hawaii Association for Justice commented on this measure.

Your Committee has examined local case law concerning guide book liability. Accordingly, your Committee has amended this measure by establishing that authors or publishers of visitor-guide websites or visitor-guide publications describing attractions have a duty to warn the public of dangerous conditions typical to the area, except that a publisher shall only have such a duty if the publisher participates as an author.

In addition, your Committee has defined "land in the State from which the public is excluded" to specify that the land in question must be either fenced or posted with "No Trespassing" signs. Your Committee has also added a Part II to the bill to create a task force to identify and assess lands on all islands that are or have been featured in visitor guides, which may pose a risk of serious injury or death if visited by tourists. Finally your Committee has changed the effective date to January 7, 2059, for part I of this bill, and January 7, 2060, for part II of this bill, 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. 548, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 548, H.D. 3.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 939            Judiciary on H.B. No. 56**

The purpose of this bill is to clarify the provisions permitting the family court to award reasonable visitation of a minor child to the minor child's grandparent or grandparents. The bill establishes a rebuttable presumption that the parent's decisions regarding visitation are in the best interest of the child, which may only be rebutted by clear and convincing evidence that the denial of visitation with the grandparent or grandparents would cause "significant harm" to the child. The bill also identifies factors that the court may consider in awarding grandparent visitation.

The Family Court Interventions Task Force, and several individuals testified in support of this measure. Several individuals opposed this bill. A concerned individual commented on this measure.

Your Committee finds that there is support for permitting reasonable visitation for a grandparent or grandparents with their minor grandchild. Your Committee notes that some concerns have been raised about the need for adequate safeguards to protect children from situations where domestic violence might occur and where non-custodial parents might gain access to the child that would not otherwise be permitted. The Committee on Human Services requested that your Committee address domestic violence concerns and the inclusion of additional factors to be considered by the court.

Your Committee has considered these issues and amended the bill accordingly by:

- (1) Clarifying that the petitioner must show that the denial of visitation to the grandparent or grandparents will cause "significant demonstrable harm" to the child;
- (2) Requiring the court to consider all of the specified factors when making decisions regarding the granting of grandparent visitation; and
- (3) Including in the factors for consideration:
  - (A) Criteria from section 571-46(9) and (10), Hawaii Revised Statutes (pertaining to family violence), to ensure that concerns about domestic violence matters are adequately addressed; and
  - (B) Whether the grandparent or grandparents have previously violated, or assisted a parent of the child in violating, a temporary restraining order or protective order.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 56, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 56, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Cabanilla, Carroll, Herkes, McKelvey, Morita and Rhoads.

**SCRep. 940          Judiciary on H.B. No. 1407**

The purpose of this bill is to aid adoptees in gaining access to their natural family and medical history by:

- (1) Requiring that, in the case of adoption, the name or names of either or both natural parents be included on the record of the birth; and
- (2) Allowing parties to the adoption access to sealed adoption records.

The Adoption Circle of Hawaii and a large number of individuals supported this bill. The Hawaii Catholic Conference, Country Talk Story, Hope, Inc., Hawaii Family Forum, and numerous individuals testified in opposition to this measure. The Judiciary, Korean Adoptees of Hawaii, Inc., and several individuals commented on this bill.

Your Committee has amended this bill by:

- (1) Deleting language requiring that, in the case of adoption, the name or names of either or both natural parents be included on the record of the birth;
- (2) Reinstating language to allow adoption records to be unsealed upon a showing good cause;
- (3) Inserting language to establish a policy of disclosure for adoptions after December 31, 2011, unless the natural parent files an affidavit requesting confidentiality, which may be refiled every ten years to maintain confidentiality;
- (4) Changing the effective date to January 7, 2059, to promote 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. 1407, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1407, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, McKelvey, Morita, B. Oshiro and Marumoto.  
(Representative Fontaine voted no.)

**SCRep. 941          Judiciary on H.B. No. 663**

The purpose of this bill is to increase consumer protections by requiring that all contracts with automatic renewal clauses provide clear disclosure of the renewal provisions at the inception of the contract and immediately prior to the renewal.

The Department of Commerce and Consumer Affairs, and a concerned individual testified in support of this bill. The Hawaii Bankers Association raised concerns and suggested amendments. Legislative Information Services of Hawaii, Direct Marketing Association, and State Privacy and Security Coalition, Inc., provided comments.

Your Committee has amended this bill by:

- (1) Limiting its provisions to commercial contracts, and defining "consumer";
- (2) Clarifying that the notification provided to the consumer regarding the automatic renewal of a consumer contract and the deadline for the cancellation of the consumer contract also contain clear and conspicuous information on how to cancel the contract;
- (3) Stipulating that any person who fails to cancel an automatic renewal contract upon a consumer's request to do so shall be deemed to have engaged in an unfair method of competition and unfair or deceptive act or practice in the conduct of any trade or commerce; 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. 663, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 663, H.D. 2.

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

**SCRep. 942            Judiciary on H.B. No. 1141**

The purpose of this bill is to delineate circumstances under which consumer complaints to government agencies shall be made available to the public. It also clarifies the information in which an individual has a significant privacy interest with regards to an inquiry into an individual's fitness for a particular license.

Building Industry Association of Hawaii, Hawaii Association of REALTORS, and numerous concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs, Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office, Americans for Democratic Action, Kokua Council, Society of Professional Journalists-Hawaii Chapter, The League of Women Voters of Hawaii, Common Cause Hawaii, and many concerned individuals opposed this bill. The Judiciary, Office of Information Practices, Department of Taxation, and City and County of Honolulu Department of the Corporation Counsel commented on this measure.

Your Committee finds that there is a need to balance the public's interest in accessing complaints arising from the purchase of services and goods against the individual's or business' need to be protected from unfounded and stale complaints.

Your Committee has amended this bill by:

- (1) Deleting provisions in the bill that clarify whether an individual has a significant privacy interest in information;
- (2) Adding language requiring any agency that posts complaints on its respective website to first determine that the complaint meets at least one of three listed criteria and to purge such complaints from the website four years after they were filed; and
- (3) Defining "consumer complaint" to mean any complaint arising from the purchase of any commodity or service from an entity or individual for which a license, registration, or certificate is required from DCCA or any board or commission thereunder.

As affirmed by the record of votes of 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. 1141, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1141, H.D. 2.

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

**SCRep. 943            Water, Land, & Ocean Resources on H.C.R. No. 29**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to issue a non-exclusive easement covering a portion of state submerged lands pursuant to section 171-53, Hawaii Revised Statutes, relating to reclamation and disposition of submerged or reclaimed land.

The Department of Land and Natural Resources testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 29 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong and Riviere.

**SCRep. 944            Water, Land, & Ocean Resources on H.R. No. 25**

The purpose of this resolution is to request the United States Navy to remove invasive plants, excessive foliage, and other debris from the coastline of lower Waipahu.

One concerned individual submitted testimony in support of this measure. One other concerned individual submitted testimony in opposition to this measure. The United States Navy submitted comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 25 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong and Riviere.

**SCRep. 945            Water, Land, & Ocean Resources on H.C.R. No. 22**

The purpose of this concurrent resolution is to request the United States Navy to remove invasive plants, excessive foliage, and other debris from the coastline of lower Waipahu.



One concerned individual submitted testimony in support of this measure. One other concerned individual submitted testimony in opposition to this measure. The United States Navy submitted 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. 22 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong and Riviere.

**SCRep. 946 Public Safety & Military Affairs on H.R. No. 47**

The purpose of this resolution is to provide fire protection to Hawaii's citizens, property, and fire fighters by requesting the State Building Code Council to adopt the requirement that automatic fire sprinklers be installed in new one- and two-family dwellings, in compliance with the latest editions of nationally recognized safety codes.

The State Fire Council, Honolulu Fire Department, the County of Maui Department of Fire & Public Safety, and Kauai Fire Department supported this measure. The Pacific Resource Partnership and County of Kauai Fire Commission supported the intent of this measure. The Building Industry Association-Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 47 and recommends that it be referred to the Committees on Housing and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

**SCRep. 947 Public Safety & Military Affairs on H.C.R. No. 54**

The purpose of this concurrent resolution is to provide fire protection to Hawaii's citizens, property, and fire fighters by requesting the State Building Code Council to adopt the requirement that automatic fire sprinklers be installed in new one- and two-family dwellings, in compliance with the latest editions of nationally recognized safety codes.

The State Fire Council, Honolulu Fire Department, the County of Maui Department of Fire & Public Safety, and Kauai Fire Department supported this measure. The Pacific Resource Partnership and County of Kauai Fire Commission supported the intent of this measure. A concerned individual opposed this measure. The Building Industry Association-Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54 and recommends that it be referred to the Committees on Housing and Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Takai and Takumi.

**SCRep. 948 Labor & Public Employment on H.R. No. 49**

The purpose of this resolution is to address pay disparity based on gender by:

- (1) Recognizing the fourth Tuesday in April as Equal Pay Day in Hawaii; and
- (2) Urging Congress to support legislation to provide more effective remedies for victims of wage discrimination based on gender.

The American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, Hawai'i Women's Coalition, Hawai'i State Democratic Womens' Caucus, and numerous concerned individuals testified in support of this measure. The Hawai'i Civil Rights Commission submitted comments.

Your Committee amended this resolution by:

- (1) Clarifying that the median income of older women is approximately half (rather than almost half) of what it is for older men; and
- (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 concurs with the intent and purpose of H.R. No. 49, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 49, H.D. 1.

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

**SCRep. 949 Labor & Public Employment on H.C.R. No. 56**

The purpose of this concurrent resolution is to address pay disparity based on gender by:

- (1) Recognizing the fourth Tuesday in April as Equal Pay Day in Hawaii; and
- (2) Urging Congress to support legislation to provide more effective remedies for victims of wage discrimination based on gender.

The American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, Hawai'i Women's Coalition, Hawai'i State Democratic Women's Caucus, and numerous concerned individuals testified in support of this measure. The Hawai'i Civil Rights Commission submitted comments.

Your Committee amended this concurrent resolution by:

- (1) Clarifying that the median income of older women is approximately half (rather than almost half) of what it is for older men; and
- (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 concurs with the intent and purpose of H.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, H.D. 1.

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

**SCRep. 950 Public Safety & Military Affairs/Transportation on S.B. No. 170**

The purpose of this bill is to authorize the Department of Defense and the Department of Transportation to inspect any shipping container situated anywhere at any commercial harbor in the State to detect and confiscate any material constituting a threat directly or indirectly to the security of life and property in Hawaii, including explosives, but excluding regulated fireworks.

The State Fire Council, Honolulu Fire Department, County of Maui Department of Fire & Public Safety, Kauai Fire Department supported the intent of this bill. The Department of Transportation opposed this measure. The Department of Defense offered comments.

Your Committees have amended this bill by accepting technical changes to Chapters 128 and 266 of the Hawaii Revised Statutes (HRS). The proposed addition to Chapter 128, HRS, giving the Department of Defense the statutory authority to inspect shipping containers may be technically inappropriate as Chapter 128, HRS applies to the authorities and responsibilities of the director of civil defense and civil defense agencies; therefore, it is suggested that:

- (1) The "department of defense" should be changed to the "director of civil defense"; and
- (2) The "department of defense" should be changed to "state civil defense."

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 170, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 170, 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, Saiki, Takai and Takumi.

**SCRep. 951 Labor & Public Employment/Economic Revitalization & Business on S.B. No. 1089**

The purpose of this bill is to authorize the Department of Labor and Industrial Relations (DLIR) to exercise enforcement powers with respect to employers in covered establishments who fail to provide required notification to employees who have been laid off or terminated due to a closing, divestiture, partial closing, or relocation.

International Longshore and Warehouse Union Local 142 and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. DLIR submitted comments.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1089, 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 Brower, Evans, Hashem, McKelvey, Nishimoto, Saiki and Souki.

**SCRep. 952 Finance on H.B. No. 200**

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Executive Branch for fiscal year 2011-2012 and fiscal year 2012-2013.

The Department of Human Services, Department of Health, Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, Hawaii Tourism Authority, State Council on Developmental Disabilities, County of Hawaii Office of the Prosecuting Attorney, Hawaii Association of Independent Schools, Kamehameha Schools, Early Learning Council, The Mestizo Association, Papa Ola Lokahi, and numerous concerned individuals testified in support of this bill. The Hawaii Charter Schools Network, Hawaii Farm Bureau Federation, Na Pua Noeau, and numerous concerned individuals provided comments.

**Introduction**

What do we want Hawai'i to look like when the recession ends?

Your Committee on Finance sought the answer to this question as it struggled to close budget gaps of \$2.1 billion in the 2009 Regular Session and \$1.2 billion in the 2010 Regular Session. Additional questions used to guide the work of the Committee over the past two years included:

- How far can government programs and services be cut?
- What programs and services are the people of Hawaii willing to live without?
- Are Hawaii's residents and visitors willing to pay more for programs and services?

Your Committee notes that the budget submitted to the 2011 Legislature was submitted in two parts. The first part, prepared by the previous Administration, increased expenditures by thirteen percent, but provided no details on how to pay for them. The second part, created by the new Administration, anticipated growth of two additional percent, and provided details on how to pay for all expenditures and attempted to answer the questions posed by your Committee.

In his State of the State Address on January 24, 2011, the new Governor declared that:

*"What appears on paper as an \$844 million fiscal deficit through the next biennium belies the fact that there is also a severe operational deficit in government. In other words, as difficult as it will be to balance the budget, that effort will merely be life support for what has become a battered, under resourced, and often dysfunctional democracy."*

Major cost increases in the budget include:

- Replacing American Recovery and Reinvestment Act (ARRA) funds;
- Medicaid needs;
- Temporary Assistance for Needy Families (TANF);
- Fixed costs such as debt service payments, employee health benefit payments and retirement system payments;
- Delayed Employees' Retirement System (ERS) payments; and
- Furlough restoration as current supplemental contracts come to an end on June 30, 2011.

### **Approach**

The financial plan submitted by the new Administration to the Legislature relied on controversial revenue enhancement and expenditure reduction proposals that attempted to:

- Provide long-term structural solutions to contain increases in fixed costs, including health and retirement benefits to government employees and retirees;
- Enhance parity and fairness in Hawaii's tax structure; and
- Pay all government obligations on time.

Your Committee acknowledges the effort made to retool and reprioritize functions of government, and appreciates the speed in which this was done in the modified budget submitted to the Legislature by the new Administration on February 22, 2010. However, after the legislative public hearing process, many of the proposed revenue enhancement and expenditure reduction initiatives were not adopted by your Committee. Your Committee was faced with a troubling dilemma:

- A lack of adequate revenues to pay for all the services supported by the public and the new Administration; and
- A need to make further cuts to government expenditures despite slowly uncovering the truth about the impacts of furloughs and the reduction in force.

### **Establishing a New Normal**

Without additional revenues to pay for the restoration of critical services, establishing a new normal must be explored.

Your Committee on Finance approached this budget with three goals:

1. Control the growth of overall expenditures;
2. Provide the new Administration with the flexibility to retool and reprioritize to achieve a new normal; and
3. Require higher levels of accountability.

To determine appropriate levels of expenditure reduction, your Committee analyzed:

- Program costs – primarily the cost of contracts within all departments;

- The availability of position vacancy and overtime savings within each department; and
- The ability of departments to use non-general funds to supplement programs.

The budget adopted by your Committee on Finance reduces expenditures by \$120 million. Some items to note regarding this budget:

- The cuts do not treat all departments the same – there are no across-the-board percentage cuts;
- Where prior cuts and furloughs have had deep impacts, there may be no reductions;
- Each department was evaluated at the program ID level, and any potential savings allocated as best as possible to mitigate serious impact; and
- Flexibility is provided at the department level to reallocate funding as needed.

### Department Summary

The impact of the previous Administration's policies has been widespread, significant and devastating:

- In 2010, the Administration moved the Compact of Free Association (COFA) population into a lesser health plan. On December 13, 2010, a federal court injunction found this to be wrongful and ordered the state to move them back to their original plan.
- In another example in 2010, the previous Administration attempted to implement an electronic internet only access benefits program called E-POD. Although this was a noteworthy program, the proposed implementation plan did not consider how the low or no-income clients would access E-POD if they could not afford internet access.
- Yet another example in 2010 was the reckless spending of TANF reserve money and the predictably erroneous assumption that enhanced federal revenues would continue.
- Finally, the previous Administration's payment strategies were ineffective in addressing budget shortfalls. These failed strategies included delays in payment for the Medicaid program and the state's pension system in 2009, and the income tax refund delay in 2010. Despite delaying these payments, the previous Administration spent the state general fund into the red for two years in a row.

In summary, the can was kicked down the road too many times and the structural imbalances in the state's financial plan cannot be ignored.

Despite the Legislature's restoration of positions and funds during the 2010 legislative session, the reduction in force, furloughs, and hiring freeze has greatly hindered the statewide workforce and stunted departments' abilities to provide vital government services effectively and efficiently. The hardest hit has been the people who rely on services, particularly the needy and vulnerable; many of them barely able to make ends meet. The line between the "haves" and "have-nots" has grown starker.

As your Committee has cautioned throughout the past few years, its worst fears are being realized. Within the Department of Human Services (DHS), response times to allegations of adult abuse have lengthened, where the inability to sufficiently monitor such cases has resulted in a 4% increase in the re-abuse rate to our elderly.

Despite your Committee's warning and unsuccessful attempt to rein in expenditures last year, irresponsible spending and the erroneous assumption that federal funding would continue indefinitely, resulted in DHS depleting its TANF reserve of over \$60 million dollars just when it is needed the most. Our families are still in need, and with the TANF reserve emptied, the new Administration has had no choice but to eliminate social service programs throughout the State. As such, DHS must rebuild the TANF program to ensure efficient delivery of crucial social services; a task which could take several years to fix.

The Department of Agriculture, whose resources were reduced by 50%, has estimated that about 90% of invasive species coming in through Honolulu International Airport cannot be intercepted. Budget constraints and lack of consistent leadership has left our prisons in extreme disrepair and has also led to a six-month delay in meeting the federal Department of Justice Settlement Agreement regarding mental health care standards for inmates.

In short, this new Administration and Legislature is faced with the responsibility of repairing the damage created by "one-time fixes" and short-term solutions that have proven to be difficult and more costly to fix. In an effort to alleviate some of these concerns, over the biennium your Committee has approved over \$400 million in general funds to restore furloughs, to provide departments additional work hours to address growing backlogs; and nearly \$240 million in recurring costs to address the "cliff" created when American Recovery and Reinvestment Act (ARRA) monies expire.

Such actions are only the beginning and your Committee realizes this will in no way return government services to optimum levels. Despite these efforts, your Committee must remain mindful of the ever increasing costs we must address. This budget includes over \$475 million over the biennium for Employer-Union Trust Fund (EUTF), ERS and debt services payments as well as over \$500 million to pay for growing Medicaid needs.

Given the lack of resources to pay for these basic essentials, your Committee has found no other avenue than to look into the current State budget for the resources to address other critical needs. While carefully assessing the conditions within each department and their programs your Committee has preserved those areas that have been most impacted, such as the Department of Agriculture and the State Historic Preservation Division, but has also made a \$120 million cut to other departments' budgets. While this was not an easy decision, your Committee is confident that through such cuts, we may also be able to address the growing needs in healthcare, Medicaid, and other vital services, while also providing a balanced financial plan. Your Committee notes that despite this reduction, departmental budgets will grow throughout the biennium. While your Committee recognizes that these increases may not be sufficient, it is meant to compel a restructuring and retooling of government services and programs to eventually establish a new normal.

This budget does not eliminate specific programs nor does it identify which areas should be cut. Rather, your Committee allows the departments to prioritize and refocus on their core services. Your Committee emphasizes that one of the biggest barriers to proceeding in this direction lies within each department and program wherever a “silo” mentality exists. If each department chooses to stand alone, this lack of cooperation will increase the potential for inefficiency and redundancy. By breaking down silos, state government can achieve a greater synergy and commitment to best addressing the needs of our communities. To further assist in this effort, this budget provides the Governor unprecedented, broader authority to transfer resources between programs and departments to enable greater flexibility in accomplishing this objective. In return, Your Committee seeks greater collaboration, transparency, and accountability.

As the consequences of the furlough, reduction in force and economic uncertainty continues to distress government; your Committee believes a new normal must be established to ensure the State's fiscal viability. We must do more with what we have; we must maximize the use of our available resources to ensure government operations are accomplished through a more resourceful, thoughtful, and expeditious manner. Perhaps more importantly, we must come back to the question your Committee has continuously posed:

"What do we want Hawaii to look like when the recession ends?"

Your Committee stresses the importance of doing so in accordance with Hawaii Revised Statutes, Chapter 5, Section 7.5, entitled "Aloha Spirit".

### **Capital Improvement Project Program**

Your Committee recommends total appropriations for the 2011-2013 fiscal biennium of \$2,913,856,000 for all means of financing, of which \$1,477,697,000 is recommended for G.O and G.O.R. bonds.

The largest areas funded by this budget are:

- \$820,663,000 for the Department of Transportation (airports, harbors, highways);
- \$390,000,000 to collateralize encumbered State Educational Facilities Improvement (SEFI) Special Funds that had lapsed on June 30, 2010;
- \$360,166,000 for the Department of Education, public charter schools, and public libraries; and
- \$282,792,000 for the University of Hawaii System.

Your Committee also focused on the departments of Health, Human Services, Land and Natural Resources, and Public Safety. In many instances, the infrastructure for these departments has deteriorated to a point necessitating immediate action to ensure the health and safety of Hawaii's people. Therefore, your Committee has included funds for the following projects:

- \$82,490,000 for public housing facilities, including \$5,600,000 to replace the solar water heating system at Mayor Wright Homes;
- \$55,315,000 for state park facilities, statewide;
- \$49,854,000 for community hospitals, statewide;
- \$20,500,000 for correctional facilities, statewide, including \$4,000,000 to replace the wastewater infrastructure at Waiawa Correctional Facility and \$4,000,000 to replace the roofing system at Halawa Correctional Facility;
- \$15,350,000 for infrastructure improvements at small boat harbors and ocean recreation facilities statewide; and
- \$11,610,000 for various improvements to the Hawaii State Hospital.

Lastly, your Committee appreciates the cooperation extended by the Administration in preparing the capital improvement part of the budget and looks forward to continuing dialog as the capital improvement project budget moves through the legislative process.

### **Local, National and International Events**

On March 10, 2011, the Council on Revenues revised its projected revenue forecast downward from 3.0% to 0.5% for fiscal year 2011 and upward from 10.0% to 11.0% in fiscal year 2012; resulting in a net two-year deficit of over \$960 million. Your Committee is concerned that:

- In order to achieve 0.5% growth, tax collections must average approximately \$400,000,000 per month for the remaining five months of the fiscal year; and
- Actual tax collections have been averaging \$360,000,000 for the last year.

On January 26, 2011, Moody's Investors Service issued an analysis combining debt and pension liabilities of the states. In that report, it was noted that:

*"Hawaii ... [one of] three states with the largest ratios of bonded debt to personal income – [is] also among states with the largest combined debt and pension obligations relative to their economies and revenues.*

*... Hawaii (Aa1, negative) has a combination of very high debt ... and it has struggled to make pension ARCs in recent years."*

Despite the criticism, Moody's acknowledged that Hawaii has "... offsetting credit strengths that account for [its] high rating, underscoring that these liabilities are only one of many factors that contribute[s] to state credit ratings." Nonetheless, debt service and pension system liabilities continue to be a major influence on the budget.

Hawai'i could see fewer tourists, as recent events in Egypt, Iran, Saudi Arabia and other countries throughout the Middle East have the potential for causing the cost of airfare to rise. Oil prices have increased from a low of about \$85 per barrel to a high of over \$115 per barrel in recent weeks. National and international financial markets have been reactive and the political unrest in the Middle East may further dampen economic recovery and forestall the release of private investment capital.

This upward trend in oil prices saw a slight reversal following the earthquake and tsunamis released in the Pacific Ocean on March 11, 2011. Your Committee's thoughts and prayers are with the people of Japan who have suffered tremendously by these current events. Unfortunately, Hawaii will also be affected not only by damage caused by the tsunamis but also the economic fallout from a decrease in visitors from Japan.

## CONCLUSION

This House draft of the Executive Biennium Budget represents one step in the legislative process. While the economy has shown improvement, the State still faces a deficit. The Legislature must take a cautious approach with the budget and managing the State's resources.

This budget:

- Controls the growth of overall expenditures;
- Provides the new Administration with the flexibility to retool and reprioritize to achieve a new normal; and
- Requires higher levels of accountability.

Although funding was restored to eliminate furloughs, thereby restoring greater access to government services, government agencies must still use resources wisely. Moreover, nothing in this budget hinders the use of the restored furlough funds for other operational purposes and uses, subject to the outcome of collective bargaining decisions. Your Committee hopes that contract negotiations with public workers will be settled before the close of the 2011 Regular Session so that appropriate action can be considered in the context of a balanced six-year financial plan.

Your Committee believes that the Administration should have the flexibility to make the decisions necessary to do what it can with limited resources and that it is incumbent upon all of Hawaii's people to work together to emerge from the State's economic challenges. This budget represents the next step in our ongoing evolution to a new normal.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Har, Morikawa and Riviere.

## SCRep. 953 Finance on H.B. No. 300

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Judiciary for the fiscal biennium from July 1, 2011, through June 30, 2013.

The Judiciary, Family Law Section of the Hawaii State Bar Association, Domestic Violence Action Center, Board of Directors of the Mediation Center of the Pacific, Hawaii State Bar Association, Mediation Center of the Pacific, Mediation Centers of Hawaii, The Mestizo Association, and numerous concerned individuals testified in support of this bill. A concerned individual opposed this measure. A member of the Kauai County Council, the Hawaii State Coalition Against Domestic Violence, Marimed Foundation, Friends of the Children's Justice Center of Kauai, and many concerned individuals offered comments.

Your Committee has carefully considered the Judiciary's budget request and sought to provide general funds to further the Judiciary's mission of administering justice in an impartial, efficient, and accessible manner.

Furlough days that were instituted because of the continued economic downturn resulted in an increase in workload over the past year, thereby decreasing service delivery and resulting in the elimination of some programs.

In an effort to alleviate the increased workload, your Committee has provided full restoration of funding necessary to eliminate the furloughs. However, the State is still facing a budget shortfall and cannot agree to the Judiciary's request to restore judge's salaries, which were temporarily decreased by five percent.

Additionally, your Committee recommends an approximate one percent reduction in general funds from the Judiciary's base budget as part of a statewide effort to balance the state's overall budget. Despite these budget constraints, this Judiciary budget reflects a \$6,762,070 net increase in general funds.

### Capital Improvement Project Program

Your Committee recommends the appropriation of \$21,434,000 for capital improvement projects for the 2011-2013 fiscal biennium. This includes \$4,500,000 to design a new judiciary complex at Kona, Hawaii -- a reduction of \$7,500,000 from the Judiciary's request for the project.

Your Committee acknowledges that the Judiciary has recently narrowed the proposed location for the new Kona Judiciary Complex to six sites, three of which are on State-owned lands. Your Committee's intent is that the new Complex be situated on one of the three State-owned sites. Accordingly, funds intended for land acquisition were reallocated to other State priorities.

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

Signed by all members of the Committee except Representatives Har, Morikawa and Riviere.

**SCRep. 954 Finance on H.B. No. 400**

The purpose of this bill is to support programs that benefit Hawaiians and native Hawaiians by appropriating funds for the operating and capital improvement budgets of the Office of Hawaiian Affairs (OHA).

OHA, the Native Hawaiian Legal Corporation, the Association of Hawaiian Civic Clubs, the Hawaii Family Law Clinic dba Ala Kuola, ALU LIKE, Inc., Papa Ola Lokahi, Na Pua No'eau, The Mestizo Association, the Sovereign Councils of the Hawaiian Homelands Assembly, and numerous concerned individuals testified in support of this bill.

Your Committee carefully considered OHA's requests for the upcoming biennium and approves of the agency's sole request to transfer funds from two of its programs, the Office of the Trustees and Administration, to a third program, Beneficiary Advocacy. These transferred funds will be used for services and assistance to beneficiaries in the areas of social services, legal services and representation, and educational enrichment programs.

However, taking into account the state of Hawaii's economy, your Committee believes it is fair to distribute budget reductions throughout the State. Thus, your Committee recommends a four percent reduction in the general funds allocated to OHA, resulting in a reduction of approximately \$99,000.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 400, H.D. 1.

Signed by all members of the Committee except Representatives Har, Morikawa and Riviere.

**SCRep. 955 Legislative Management on H.R. No. 63**

The purpose of this resolution is to ensure consistency, reliability, and responsibility of the broadcast of legislative proceedings by establishing policies for the Legislative Broadcast Program's cablecasts and webcasts of House of Representatives' proceedings.

The Chief Clerk of the House of Representatives testified in support of this measure. The League of Women Voters of Hawaii supported the intent of this measure. Common Cause Hawaii provided comments.

The Legislative Broadcast Program was established as a pilot program in 1994 as a means of increasing public access to, and awareness of, the legislative process through cablecasting the proceedings of the House of Representatives. Establishing policies to govern the participation in the Legislative Broadcast Program will ensure the consistency, reliability, and responsibility of these broadcasts.

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. 63 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 956 Housing/Water, Land, & Ocean Resources on H.R. No. 24**

The purpose of this resolution is to urge the Honolulu City Council to extend historic property tax exemptions to infill homes within the Ewa Villages historic district.

Your Committees believe that extending historic property tax exemptions to infill homes within Ewa Villages supports the continuation of historical districts in the State and their important cultural and historical influence.

Ewa Historical Society and Ewa Villages Owners Association testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 24 and recommend that it be referred to the Committee on Finance.

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

**SCRep. 957 Housing/Water, Land, & Ocean Resources on H.C.R. No. 27**

The purpose of this concurrent resolution is to urge the Honolulu City Council to extend historic property tax exemptions to infill homes within the Ewa Villages historic district.

Your Committees believe that extending historic property tax exemptions to infill homes within Ewa Villages supports the continuation of historical districts in the State and their important cultural and historical influence.

Ewa Historical Society and Ewa Villages Owners Association testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 27 and recommend that it be referred to the Committee on Finance.

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

**SCRep. 958          Tourism on S.B. No. 116**

The purpose of this bill is to strengthen, nurture, and support Hawaiian culture by authorizing the Hawaii Tourism Authority to support traditional Hawaiian arts and cultural activities, including Hawaiian music, dance, and arts and crafts.

The Hawaii Tourism Authority supported this measure.

Your Committee has amended this bill by deleting the word "pre-contact" from the reference to "traditional pre-contact Hawaiian arts and culture". The word "pre-contact" in regards to arts and cultural activities may limit the bill's scope because it could be defined as prior to western contact or prior to the discovery of the Hawaiian Islands by European explorers. Deleting the "pre-contact" reference will ensure the support and promotion of all traditional Hawaiian arts and cultural activities, including forms of dance and music such as modern hula, sitting hula, steel guitar, slack key, choral singing, and others.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 116, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 116, S.D. 2, H.D. 1, and be referred to the Committees on Hawaiian Affairs and Culture & the Arts.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 959          Labor & Public Employment on S.B. No. 1055**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (2) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (2).

The Hawaii Government Employees Association submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for collective bargaining cost items that may result from negotiations between the State and the exclusive bargaining representative for Bargaining Unit (2).

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. 1055, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 960          Labor & Public Employment on S.B. No. 1061**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (4) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (4).

The Hawaii Government Employees Association and the United Public Workers, AFSCME, Local 646, AFL-CIO submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for cost items that may result from collective bargaining negotiations between the State and the exclusive bargaining representative for Bargaining Unit (4).

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. 1061, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 961          Labor & Public Employment on S.B. No. 1062**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (8) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (8).



The Hawaii Government Employees Association submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for cost items that may result from collective bargaining negotiations between the State and the exclusive bargaining representative for Bargaining Unit (8).

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. 1062, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 962 Labor & Public Employment on S.B. No. 1083**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (9) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (9).

The Hawaii Government Employees Association submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for collective bargaining cost items that may result from negotiations between the State and the exclusive bargaining representative for Bargaining Unit (9).

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. 1083, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 963 Labor & Public Employment on S.B. No. 1084**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (6) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (6).

The Hawaii Government Employees Association submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for cost items that may result from collective bargaining negotiations between the State and the exclusive bargaining representative for Bargaining Unit (6).

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. 1084, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 964 Labor & Public Employment on S.B. No. 1085**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (3) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (3).

The Hawaii Government Employees Association submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for collective bargaining cost items that may result from negotiations between the State and the exclusive bargaining representative for Bargaining Unit (3).

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. 1085, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 965 Labor & Public Employment on S.B. No. 1095**

The purpose of this bill is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (13) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (13).

The Hawaii Government Employees Association submitted testimony in strong support of this bill. The Department of Budget and Finance submitted comments.

It is your Committee's intent to advance this bill to provide a vehicle for collective bargaining cost items that may result from negotiations between the State and the exclusive bargaining representative for Bargaining Unit (13).

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. 1095, 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 Ichiyama, Luke, Saiki, Souki and Takumi.

**SCRep. 966 Labor & Public Employment/Economic Revitalization & Business on S.B. No. 1076**

The purpose of this bill is to specify that for employers with 100 or more employees and a collective bargaining agreement with their employees:

- (1) It is unlawful for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee legitimately uses accrued and available negotiated sick leave in accordance with the employer's attendant and negotiated sick leave policies; and
- (2) Employers and labor organizations are not prohibited from barring or discharging from employment, withholding pay from, or demoting an employee if the employee is unable to fulfill the essential job functions or requirements of the employee's position.

IBEW; Hawaii Government Employees Association; Hawaii State Teachers Association; ILWU Local 142; IBEW Local Union 1357; The Plumbers and Fitters, Local 675; and several concerned individuals testified in support of this bill. The Chamber of Commerce of Hawaii; Hawaiian Telcom; Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited; National Federation of Independent Business Hawaii; and Society for Human Resource Management-Hawaii Chapter testified in opposition to this measure. The Department of Labor and Industrial Relations, IBEW Local 1260, Hawaii State AFL-CIO, General Contractors Association of Hawaii, and King & Neel, Inc. submitted comments.

Upon consideration, your Committees have amended this bill by deleting its substance and inserting the contents of H.B. No. 341, H.D. 4, which:

- (1) Specifies that for employers with 100 or more employees and a collective bargaining agreement with their employees:
  - (A) It is unlawful for an employer or labor organization to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee uses accrued and available negotiated sick leave; provided that the employer or labor organization may require the employee to provide written verification from a physician when the employee uses three or more consecutive days of sick leave; and
  - (B) Employers and labor organizations are not prohibited from barring or discharging from employment, withholding pay from, or demoting an employee if the employee is unable to fulfill the essential job functions or requirements of the employee's position;

and
- (2) Sets forth a July 1, 2030, effective date.

In addition, your Committees have further amended this bill by stipulating that the employee shall have used all accrued and available sick leave before the employer or labor organization can bar or discharge the employee from employment, withhold pay from the employee, or demote the employee.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1076, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans, Nishimoto and Tokioka.  
(Representative Marumoto voted no.)

**SCRep. 967 Human Services on S.B. No. 958**

The purpose of this bill is to assist the family court in making informed decisions in child custody cases by:

- (1) Requiring the Board of Family Court Judges (Board) to establish, maintain, and update a registry of child custody evaluators or experts;

- (2) Limiting the appointment of child custody evaluators or expert testifiers to those evaluators and experts who are in the child custody evaluator registry;
- (3) Requiring child custody evaluators to have a current child custody evaluator annual declaration on file with the court prior to appointment;
- (4) Allowing the Board to establish a child custody evaluator certification program; and
- (5) Requiring the Board to establish standards for child custody evaluators to apply in recommending an award of custody of a child.

Several concerned individuals testified in support of this bill. The Judiciary provided comments.

Your Committee acknowledges that testimony submitted by the Judiciary points out that there must be some discretion to appoint an expert not listed on the child custody evaluator registry. Nationally renowned experts may be excluded from testifying simply because they are not listed on the registry. The Judiciary also states that since private custody evaluators are paid for by the parties and not the State, the court should have the discretion to appoint a professional agreed upon by the parties.

Moreover, considering that only a small number of available professionals on the neighbor islands have conducted custody evaluations in the past, parties on the neighbor islands may need to select custody evaluators on Oahu, which could result in higher litigation costs. The Judiciary also suggests that court staff who conduct custody evaluations should be exempt from this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2075, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 958, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 958, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 968 Human Services on S.B. No. 1291**

The purpose of the bill is to continue to protect Hawaii's children by clarifying language in the Child Protective Act, Chapter 587A, Hawaii Revised Statutes, to ensure consistency in practice and compliance with applicable federal requirements, under federal Title IV-E.

The Judiciary, Department of the Attorney General, Department of Human Services, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2075, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1291, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1291, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 969 Human Services on S.B. No. 1293**

The purpose of this bill is to make the following emergency appropriations from the general fund:

- (1) \$11,523,511 for fiscal year (FY) 2010-2011 to the Department of Human Services (DHS) for cash support for families – self-sufficiency (HMS 211) to address the funding shortfall for cash support payments for families with dependent children; and
- (2) \$47,322,170 for FY 2010-2011 to DHS for general support for self-sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts.

DHS testified in support of this bill. Helping Hands Hawaii provided comments.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 102 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

Your Committee emphasizes that time is of the essence in regards to the passage of this bill.

Your Committee has amended this bill by:

- (1) Changing the amount appropriated from the general fund for FY 2010-2011 to \$45,184,770 for general support for self-sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts;
- (2) Appropriating the sum of \$520,815 or so much thereof as may be necessary from the general fund for FY 2010-2011 for general assistance payments (HMS 204) to address the funding shortfall for general assistance; and
- (3) Making technical, nonsubstantive amendments, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1293, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 970            Transportation on S.B. No. 1493**

The purpose of this bill is to preserve the quality of the night sky and its associated cultural, scientific, astronomical, natural, and landscape-related values and provide an environmentally friendly strategy for the lighting of Hawaii. Specifically, this measure requires the establishment of a starlight reserve strategy by, among other things:

- (1) Requiring that every new and replacement outdoor lighting fixture use fully shielded lens fixtures to direct the lighting downward, with certain exceptions; and
- (2) Stipulating conditions and parameters for lights in areas where fully shielded light fixtures are not used.

The University of Hawaii System, Hawaii Starlight Reserve Committee, W.M. Keck Observatory, Gemini Observatory, Canada-France-Hawaii Telescope Corporation, Subaru Telescope, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, and Department of Design and Construction of the City and County of Honolulu testified in support of the intent of this measure. The Department of Transportation and a concerned individual opposed this bill.

Hawaii's dark night sky is a valuable natural and cultural resource for the State, has tremendous scientific value for astronomy, and is of vital importance for endangered species including birds and turtles. Unfortunately, unnecessary light pollution is threatening the dark night sky over the entire State with much of this light pollution being caused by improperly shielded lights. The use of fully shielded outdoor lighting fixtures in Hawaii will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security. These types of fixtures are also environmentally friendly and reduce the impact of non-shielded lighting on endangered species.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1493, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1493, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Luke.

**SCRep. 971            Human Services on S.B. No. 921**

The purpose of this bill is to increase the safety of minors by, among other things,:

- (1) Allowing child services providers authorized by the Department of Human Services (DHS) to provide emergency shelter and related services to a minor if the provider obtains the minor's consent and reasonably believes that:
  - (A) The minor understands the significant benefits and limits of the emergency shelter and related services;
  - (B) The minor can communicate an informed consent; and
  - (C) The emergency shelter and related services are for the minor's benefit;
- (2) Allowing a minor to consent to emergency shelter and related services if:
  - (A) The provider has made a good faith effort to contact the minor's parent, legal guardian, or custodian to obtain consent, but has been unable to do so;
  - (B) The provider has made contact with the minor's parent, legal guardian, or custodian, but they have refused to give consent; or
  - (C) The minor has refused to provide contact information for the minor's parent, legal guardian, or custodian;

and

- (3) Requiring the provider to:

- (A) Report to DHS any findings that the minor is subject to imminent harm, has been harmed, or is subject to threatened harm; and
- (B) If applicable, make a report to DHS or the police department of child abuse or neglect under section 350-1.1, Hawaii Revised Statutes.

Hawaii Foster Youth Coalition testified in support of this bill. DHS provided comments on this bill.

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

- (1) Providing a time limit of no longer than 30 days for emergency shelter and related services;
- (2) Adding language to ensure that a minor understands the requirements of the shelter program and agrees to adhere to the shelter's rules and cooperate and participate in services recommended by the shelter;
- (3) Requiring that admission of a minor to emergency shelter has been determined by the shelter to be necessary to ensure the minor's safety and well-being;
- (4) Allowing a minor to consent to emergency shelter and related services if:
  - (A) A provider has offered the shelter and services without charge;
  - (B) The minor understands the benefits, responsibilities, risks, and limits of the shelter and services; provided that the provider has not, despite reasonable efforts, been able to identify and contact the minor's parent, legal guardian, or legal custodian; and
  - (C) Where the minor's parent, legal guardian, or legal custodian refused to give consent or the minor refused to provide contact information, the provider, based on available information, reasonably believes the minor would be harmed or subject to threatened harm, if the minor returned immediately to the parent, legal guardian, or legal custodian;
- (5) Requiring the provider to conduct an assessment to ensure that the minor does not pose a risk to self or other residents of the shelter;
- (6) Stipulating that if admitting the minor to emergency shelter is determined by the shelter to be unsafe, the shelter will immediately report the matter to an appropriate agency, subject to the provider's assessment;
- (7) Clarifying that any consent given by the minor is valid and binding for the duration of the minor's stay in the shelter;
- (8) Clarifying that immunity from any civil or criminal liability will be granted to any provider who renders emergency shelter and related services to a minor after determining in good faith that admitting the minor to the shelter does not pose an unacceptable or uncontrollable safety concern to the other residents of the shelter;
- (9) Requiring the provider to report any suspected child abuse or neglect to DHS or the police department;
- (10) Eliminating foster boarding home from the definition of provider;
- (11) Clarifying that a custodian is a legal custodian and guardian is a legal guardian; 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 972 Human Services on S.B. No. 957**

The purpose of this bill is to establish a Citizen's Family Law Advisory Committee consisting of judiciary personnel, family court professionals, related service providers, the public, and other stakeholders to assist the Judiciary and the Legislature in improving the family court by:

- (1) Gathering input and information regarding family law and family court issues or complaints;
- (2) Conducting studies, evaluations, or surveys related to family law and family court issues;
- (3) Reviewing legislation, administrative procedures, and proposals relating to family law and family court issues; and
- (4) Evaluating alternatives and making recommendations relating to family law and family court issues.

Several concerned individuals testified in support of this bill. The Judiciary opposed this measure.

Your Committee has amended this bill by substituting a substantial portion of its contents with provisions that allow a temporary Domestic Violence and Citizen's Family Law Advisory Task Force (Task Force) to be established within the Judiciary. Among other things, the amendments:

- (1) Establish the Task Force membership;
- (2) Allow the Task Force to discuss and seek policy to assist the Judiciary and Legislature in continuing to improve the family court by:
  - (A) Gathering input and information regarding family law and family court issues or complaints;
  - (B) Conducting studies, evaluations or surveys related to family law and family court issues;
  - (C) Reviewing legislation, administrative procedures, and proposals relating to family law and family court issues; and
  - (D) Evaluating alternatives and making recommendations relating to family law and family court issues;
 and
- (3) Require the Task Force to submit a report of its findings and recommendations, including any proposed legislation, to the Judiciary and Legislature no later than 20 days prior to the convening of the Regular Session of 2012 and 2013.

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. 957, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 957, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 973          Human Services on S.B. No. 77**

The purpose of this bill is to provide greater protection to plaintiffs by:

- (1) Upon a plaintiff's petition, allowing the court to permit the plaintiff to be identified as "Jane Doe" or "John Doe"; provided that the court may consider specific factors in its decision to permit the "Jane Doe" or "John Doe" filing of documents in civil actions and proceedings;
- (2) Allowing the court to seal from the public all or portions of documents, when there are compelling reasons that outweigh the public's interest in the disclosure of the parties and the court believes that court files may be used improperly;
- (3) Upon petition for a temporary restraining order for relief from harassment to a district court, allowing a petitioner to be listed as "Jane Doe" or "John Doe" within court filings; and
- (4) Requiring the court to seal from the public all or portions of documents that would identify the petitioner who is requesting a harassment restraining order, after the court finds clear and convincing evidence of specified circumstances.

The Hawaii Disability Rights Center and several concerned individuals testified in support of this bill. The Judiciary, The Pacific Alliance to Stop Slavery, Polaris Project, and several concerned individuals provided comments.

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

- (1) Authorizing, rather than requiring, the court to seal from the public all or portions of documents in a petition for a harassment restraining order;
- (2) Under the Uniform Durable Power of Attorney Act, requiring an enforceable durable power of attorney to be signed by two qualified witnesses and acknowledged by a notary public;
- (3) Under the guardianship and protective proceedings laws of the Uniform Probate Code, requiring an enforceable durable power of attorney to be signed by two qualified witnesses and acknowledged by a notary public;
- (4) Requiring that all actions to challenge or contest a will, estate plan, or trust be brought within nine years after the cause of action accrued or within six years after discovery of the fraud or undue influence, whichever period is longer, where:
  - (A) It is alleged that the testator, principal, or property owner who established the will, estate plan, or trust amended the provisions of the will, estate plan, or trust as a result of fraud or undue influence by the beneficiary or beneficiaries of the amendments or persons acting as agents of the beneficiary or beneficiaries; and
  - (B) The action is commenced by persons designated as beneficiaries of the will, estate plan, or trust prior to the amendments;
- (5) Establishing that a person commits the offense of murder in the first degree if the person intentionally or knowingly causes the death of a person known by the defendant to be a witness in a family court case and the killing is related to the person's status as a witness;
- (6) Establishing labor trafficking in the first degree as a class A felony and labor trafficking in the second degree as a class B felony or a class A felony under certain circumstances and including provisions that:
  - (A) Authorize the court to consider the time in which the victim was held in servitude and number of victims when determining the sentencing for labor trafficking in the first and second degree;

- (B) Permit and establish extended terms of imprisonment for a person found guilty of labor trafficking in the first and second degree and where the victim suffered bodily injury;
- (C) Require the court to order restitution to be paid to victims of labor trafficking and establish restitution amounts;
- (D) Establish the offense of nonpayment of wages as a class C felony or misdemeanor pertaining to labor trafficking and including provisions that:
  - (i) Establish that a person commits a separate offense of nonpayment of wages for each pay period during which the employee earned wages that the person failed or refused to pay the employee and fines for each offense;
  - (ii) Require the court to order restitution to be paid to victims of nonpayment of wages and establish restitution amounts;
  - (iii) Allow victims of nonpayment of wages to bring a civil action to recover all wages owed by the person convicted of nonpayment of wages; and
  - (iv) Define "employee", "person", and "wages" in relation to the offense of nonpayment of wages;
 and
- (E) Establish the offense of unlawful conduct with respect to documents as a class C felony if committed in the course of committing labor trafficking in the first and second degree;
- (7) Establishing the offense of sex trafficking in the first degree as a class A felony and sex trafficking in the second degree and class B felony and including provisions that:
  - (A) Provide a complete defense to a charge of sex trafficking in the first degree, sex trafficking in the second degree, or prostitution where the act alleged to have been committed by the accused was obtained, maintained, or advanced by various methods against or to the accused; and
  - (B) Define "advances", "profits", and "prostitution" in relation to sex trafficking;
 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 77, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 77, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 974 Health/Human Services on S.B. No. 595**

The purpose of this bill is to address the shortage of physicians in Hawaii, by establishing tax credits for physicians or clinics that treat Medicaid patients, serve rural areas, or respond to emergency calls.

Hawaii Medical Association, Healthcare Association of Hawaii, The League of Women Voters of Hawaii, and a concerned individual testified in support of this measure. The Tax Foundation of Hawaii submitted 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 S.B. No. 595, S.D. 2, and recommend that it pass Second Reading and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Pine.

**SCRep. 975 Health/Public Safety & Military Affairs on S.B. No. 1458**

The purpose of this bill is to establish a licensing system within the Department of Health (DOH) to regulate the distribution of medical marijuana. Specifically, this bill:

- (1) Establishes three classes of licenses for the following purposes:
  - (A) A compassion center license for selling medical marijuana to qualifying patients;
  - (B) A medical marijuana cultivation license for cultivating and distributing medical marijuana to compassion care centers and to sell medical marijuana to manufacturers of medical marijuana-infused products; and

- (C) A medical marijuana-infused products manufacturing license to create medical marijuana-infused products to be distributed to compassion care centers for sale to qualifying patients;

and

- (2) Establishes requirements for licensing and distribution, including limiting the number of each type of licensee on each island.

The Drug Policy Forum of Hawai'i, Drug Policy Action Group, Democratic Party of Hawai'i, American Civil Liberties Union of Hawaii, Big Island Chamber of Americans for Safe Access, Community Alliance on Prisons, National Association of Reformed Criminals, and numerous concerned individuals testified in support of this bill.

DOH; the Department of Public Safety; County of Kauai Office of the Prosecuting Attorney; Kauai Police Department; Maui Police Department; Hawai'i Police Department; City and County of Honolulu Department of the Prosecuting Attorney; Hawaii Carpenters Union; Save Our Society From Drugs; Coalition for a Drug-Free Hawaii; Plumbers and Fitters Union, Local 675; Reliable Drug Testing Services, Inc.; and numerous concerned individuals opposed this measure. Kaiser Foundation Health Plan, Inc.; Pacific Wellness Coalition; Delta Construction Corporation; and several concerned individuals provided comments.

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

- (1) Reducing its scope to only include licensure for one compassion care center on the island of Maui as a five-year pilot program;
- (2) Allocating all fees collected to the County of Maui;
- (3) Requiring all food and other consumables sold on licensed premises to be regulated by DOH and the federal Food and Drug Administration;
- (4) Requiring the compassion care center to maintain photocopies of all filled prescriptions in a database available for review by law enforcement;
- (5) Establishing a 30 percent tax on medical marijuana products sold under the pilot program to be deposited into the general fund;
- (6) Requiring the compassion care center to be responsible for costs incurred for security and requiring a live video feed of its operations to be provided to law enforcement;
- (7) Requiring the compassion care center to be located no closer than 600 yards of any day care facility, preschool, or public or private school;
- (8) Prohibiting the use of medication on the premises of the facility;
- (9) Prohibiting medication from the compassion care center from being transported out of Maui County; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1458, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1458, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hanohano, Jordan, Saiki, Souki and Takai.  
(Representatives M. Lee, Ching, Fontaine and Johanson voted no.)

**SCRep. 976 Health on S.B. No. 1348**

The purpose of this bill is to establish a nonprofit health insurance exchange, to be known as the Hawaii Health Connector, which shall, among other things, facilitate the purchase and sale of qualified health plans in compliance with the federal Patient Protection and Affordable Care Act of 2010.

The American Cancer Society, AARP, Hawaii Medical Service Association, Hawaii Pharmacists Association, and Healthcare Association of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs, Department of Human Services, Hawaii Association of Health Plans, Legislative Reference Bureau, Hawaii Medical Association, Ohana Health Plan, and Hawaii Dental Service offered comments.

Your Committee amended this bill by:

- (1) Including health care providers in the composition of the Hawaii Health Connector's Board of Directors;
- (2) Expanding the definition of "insurer" to include providers of dental benefits;
- (3) Expanding the definition of "qualified health plan" to include dental benefit plans as described in the federal Patient Protection and Affordable Care Act;
- (4) Changing the effective date to July 1, 2040, to facilitate further discussion; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1348, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1348, 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 Hanohano and Jordan.

**SCRep. 977            Health on S.B. No. 1453**

The purpose of this bill is to improve the delivery of health care and assist patients in receiving their medications in a timely manner by:

- (1) Authorizing the Healthcare Association of Hawaii to convene a working group to discuss potential improvements to the current prior authorization process for prescription medications, which requires that physicians obtain approval from a health insurance carrier to prescribe a specific medication for their patients; and
- (2) Requiring the working group to submit a report to the Legislature of its findings and recommendations, including any implementing legislation, on improving the prior authorization process for prescription medications.

AlohaCare, the Healthcare Association of Hawaii, the Neuropathy Action Foundation, The Alliance for Plasma Therapies, and Faith Action for Community Equity supported this bill. The Department of Commerce and Consumer Affairs, Department of Human Services, and University of Hawaii System offered comments.

Your Committee has amended this bill by:

- (1) Changing the working group's cease-to-exist date to December 31, 2012; and
- (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. 1453, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1453, 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 Hanohano and Jordan.

**SCRep. 978            Health on S.B. No. 150**

The purpose of this bill is to ensure the design and construction of public buildings, facilities, and sites are in compliance with the Americans with Disabilities Act (ADA) and Federal Fair Housing Act (FFHA).

Specifically, this bill:

- (1) Enables the Disability and Communication Access Board (DCAB) to charge a fee to defray expenses of reviewing construction plans of buildings and facilities for compliance with the ADA and FFHA;
- (2) Sets fees for the review of buildings and facilities by DCAB;
- (3) Establishes an accessible building design special account, within the Disability and Communication Access Board special fund, for fees to be deposited and expended; and
- (4) Requires DCAB to report to the Legislature annually regarding revenues collected, including a summary of the plans reviewed and the fees collected from each state or county department or agency.

The Department of Accounting and General Services and several concerned individuals supported this bill. The General Contractors Association opposed this bill. The City and County of Honolulu Department of Design and Construction, DCAB, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the fees collected by DCAB is pursuant to section 103-50(e), Hawaii Revised Statutes that requires DCAB to charge a fee for services rendered;
- (2) Specifying the fee amounts to be charged in the graduated construction cost fee schedule; and
- (3) Changing the effective date to July 1, 2040, to promote 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. 150, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 150, 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 Hanohano, Jordan and Mizuno.

**SCRep. 979 Health on S.B. No. 1506**

The purpose of this bill is to address the growing epidemic of childhood obesity by establishing a childhood obesity pilot program.

Specifically, this measure:

- (1) Establishes the childhood obesity pilot program within the Department of Health (DOH) for administrative purposes;
- (2) Requires the Director of Health to select 20 health care providers to participate in the program; and
- (3) Appropriates funds for the program's support.

The American Cancer Society, Hawaii Primary Care Association, Papa Ola Lokahi, and a concerned individual testified in support of this bill. Hawaii Association of Health Plans opposed this measure. DOH, the American Academy of Pediatrics-Hawaii Chapter, and American Physical Therapy Association-Hawaii Chapter offered comments.

Your Committee found that the pilot program has not yet entered preliminary planning stages, and therefore amended this bill by:

- (1) Directing DOH to work with Hawaii Primary Care Association to develop pilot program parameters and an implementation plan;
- (2) Deleting language appropriating funds for the pilot program;
- (3) Changing the effective date to July 1, 2040, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1506, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1506, 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 Hanohano and Jordan.

**SCRep. 980 Health on S.B. No. 414**

The purpose of this measure is to give Hawaii Health Systems Corporation the ability to fully utilize its real property assets to continue to provide health care for the community.

Specifically, this bill:

- (1) Authorizes the Hawaii Health Systems Corporation to mortgage its real property; and
- (2) Clarifies that the dollar cap on the municipal leasing authority applies to each regional system, annually.

Maui Memorial Medical Center and Hilo Medical Center testified in support of this bill. Hawaii Health Systems Corporation, Hawaii Government Employees Association, and the Office of Veterans' Services offered comments.

Your Committee has amended this bill by:

- (1) Restricting the terms of mortgages in cases where revenue bonds are granted to no longer than 30 years.
- (2) Clarifying that no property that is affiliated with the United States Department of Veterans Affairs, including properties that serve as veterans' homes, shall be mortgaged;
- (3) Clarifying that no ceded lands shall be mortgaged; 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. 414, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 414, S.D. 3, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representatives Hanohano and Jordan.

**SCRep. 981 Education on S.B. No. 934**

The purpose of this bill is to ensure that Hawaii's students are educated in a safe and civil learning environment by, among other things:

- (1) Requiring the Department of Education to adopt rules to implement a policy prohibiting bullying and cyberbullying;
- (2) Specifying minimum components the policy must contain;

- (3) Requiring the Department of Education and the Charter School Review Panel to submit annual reports to the Legislature on the implementation of this policy; and
- (4) Establishing bullying and cyberbullying as a misdemeanor and requiring that incidents be reported to law enforcement.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii State Teachers Association, Imua Alliance, and several concerned individuals supported this bill. The American Friends Service Committee, a member of the Board of Education, and a concerned individual supported this measure with amendments. The Hawaii Youth Services Network and Hawaii Women's Coalition supported the intent of this bill. The American Civil Liberties Union of Hawaii opposed this measure. The Department of Education and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing the requirement that the policy apply to electronic communication regardless of where that communication originates;
- (2) Clarifying that as part of the reporting and investigation procedures, school employees must immediately report to the principal or the principal's designee if they have any information that a student is a target of bullying or cyberbullying;
- (3) Including in the definition of "bullying" or "cyberbullying" actions motivated by a student's actual or perceived socio-economic status to reflect Board of Education policy;
- (4) Removing language that makes bullying and cyberbullying a misdemeanor;
- (5) Inserting an appropriation in an unspecified amount to fund the implementation of the bullying and cyberbullying policy; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 934, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 934, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Chang.

**SCRep. 982          Education on S.B. No. 1385**

The purpose of this bill is to provide additional flexibility and the potential for additional revenue with respect to public school lands by establishing a Public School Lands Trust to generate income from the redevelopment of excess and underused public school lands with which to construct, repair, and retrofit public schools to meet the challenges of the 21<sup>st</sup> century and beyond.

This measure also establishes a Public School Lands Trust Commission to manage, administer, and exercise control over the Public School Lands Trust.

The Land Use Research Foundation of Hawaii and several concerned individuals supported this bill. The Hawaii State Teachers Association and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported the intent of this measure. The Office of Hawaiian Affairs, Council Chair and two Councilmembers of the Maui County Council, and a concerned individual opposed this bill. The Department of Education (DOE), Department of Land and Natural Resources, Good Beginnings Alliance, Mayor of the City and County of Honolulu, and several concerned individuals provided comments.

Your Committee has amended this bill by deleting its contents and replacing them with provisions that:

- (1) Permit, as a three-year pilot project, DOE with the approval of the Board of Education, to lease public school land for up to ten schools for a lease term of not more than 55 years for the purpose of constructing affordable workforce rental housing units;
- (2) Direct proceeds from leases specified in paragraph (1) above to be used for the construction and upgrade of 21<sup>st</sup> century schools;
- (3) Establish a School Facilities Special Fund to deposit proceeds from leases specified in paragraph (1);
- (4) Establish a School Facilities Advisory Board to advise DOE on, among other things, how best to optimize public school lands;
- (5) Establish a public school construction tax credit for construction undertaken as part of the terms of a lease specified under paragraph (1) above; and
- (6) Require DOE to further develop a systematic process and mechanism to optimize public school lands.

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. 1385, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1385, 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 Representative Chang.

**SCRep. 983 Health on S.B. No. 1274**

The purpose of this bill is to update the Patients' Bill of Rights and Responsibilities Act to conform to federal law by establishing uniform standards for external review procedures.

Hawaii Medical Service Association, and Ohana Health Plan testified in support of this measure. Numerous concerned individuals opposed this bill. The Department of Commerce and Consumer Affairs offered comments.

Your Committee amended this bill by:

- (1) Changing the effective date to July 1, 2040, to facilitate further discussion regarding state-based external review procedures in relation to the preemptive federal regulation that will become effective in the absence of state-based procedures; and
- (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. 1274, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1274, 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 Hanohano, Jordan and Pine.

**SCRep. 984 Health on S.B. No. 591**

The purpose of this bill is to regulate pharmacy benefit management companies (PBMs) by requiring PBMs to register with the insurance commissioner and by restricting the manipulation of drug co-payment pricing.

Hawaii Medical Association and several concerned individuals testified in support of this measure. The Department of Commerce and Consumer Affairs, CVS Caremark, Ohana Health Plan, Hawaii Medical Service Association, and Medco Health Solutions, Inc., opposed this bill.

Your Committee has amended this bill by:

- (1) Removing provisions regarding pharmacy audits;
- (2) Removing provisions for license suspension or revocation as a penalty for failure to file annual statement with the insurance commissioner;
- (3) Allowing PBMs increased discretion regarding the providers they contract with by eliminating language restricting the ability to exclude "unwanted providers";
- (4) Eliminating the prohibition against differential reimbursement to pharmacies;
- (5) Facilitating access to drugs with limited availability by eliminating registration requirements for out-of-state or mail order pharmacies; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 591, 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 Hanohano and Jordan.

**SCRep. 985 Health on S.B. No. 239**

The purpose of this bill is to extend the distribution of monies from the Hawaii Tobacco Settlement Special Fund to specified entities until June 30, 2015, by establishing that the funds designated to the University of Hawaii (UH) for the John A. Burns School of Medicine (JABSOM) shall continue at a decreased amount over the next four years, while the amount allotted to the general fund will increase over that time. In addition, this measure requires JABSOM to report annually its revenues and expenditures to the Legislature.

UH System, American Cancer Society, Hawaii Pacific Health, HMSA, Hawaii Medical Association, and Kalihi-Palama Health Center testified in support of this measure. The Coalition for a Tobacco-Free Hawaii opposed this bill. The Department of Health, UH-Cancer Center, American Heart Association, and The Queen's Medical Center commented on this measure.

Your Committee has amended this bill by:

- (1) Establishing a UH School of Public Health Special Fund for the establishment of a UH School of Public Health to more effectively address tobacco abuse prevention;
- (2) Reducing the amount of funds from the Hawaii Tobacco Settlement Special Fund allocated to JABSOM by an unspecified percentage per fiscal year and allocating such amount to the UH School of Public Health Special 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 S.B. No. 239, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 239, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Hanohano and Jordan.

**SCRep. 986 Economic Revitalization & Business on S.B. No. 1498**

The purpose of this bill is to enhance the operations of the Small Business Regulatory Review Board (Board) by:

- (1) Transferring the Board from the Department of Business, Economic Development, and Tourism (DBEDT) to the Department of Commerce and Consumer Affairs (DCCA), and authorizing the expenses of the Board to be funded from the Compliance Resolution Fund; and
- (2) Requiring each agency that must amend or repeal rules pursuant to statutory changes to submit a list of these rules to the Board on an annual basis.

A concerned individual supported this bill. DBEDT supported the intent of this measure. The Department of Human Resources Development, DCCA, and Hawaii Farm Bureau Federation submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 981, H.D. 1, Regular Session of 2011 (H.B. No. 981), which ensures that administrative rules relating to small business are reviewed and updated to remain current with related statutory provisions by requiring:

- (1) Each state agency with rules affecting small businesses to submit an annual report to the Board regarding the statutory changes that impact these rules, and the status of each amended or new rule for which adoption is pending; and
- (2) The Governor to direct state agencies to work with the Board to develop internal processes to expedite rulemaking actions for rules relating to small business that require amendment or adoption, due to a change in applicable law.

Your Committee has incorporated the effective date of H.B. No. 981, July 1, 2012, into this measure. In addition, your Committee has amended this measure by requiring each state agency on an annual basis to notify and provide an explanation to the Board regarding any rules affecting small business that have not been promulgated to reflect changes in applicable law.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1498, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1498, 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 Brower and Pine.

**SCRep. 987 Economic Revitalization & Business on S.B. No. 590**

The purpose of this bill is to extend the sunset date of the Legislative Federal Economic Stimulus Program Oversight Commission (Oversight Commission) from June 30, 2011, to December 31, 2011.

The Department of Business, Economic Development, and Tourism supported this bill. A concerned individual opposed this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2012, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 590, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

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

**SCRep. 988 Economic Revitalization & Business on S.B. No. 776**

The purpose of this bill is to establish a task force to assess barriers faced by businesses engaged in biotechnology research or other activities, and develop recommendations and any legislation required to expedite permit processing for the specialized needs of biotechnology businesses.

The Department of Land and Natural Resources, University of Hawaii College of Tropical Agriculture and Human Resources, and a concerned individual supported this bill. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2012, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 776, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 776, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 989 Economic Revitalization & Business on S.B. No. 1213**

The purpose of this bill is to require the Comptroller, with the assistance of the Department of Planning and Permitting of the City and County of Honolulu, to convene a temporary task force to review and identify state and county rules affecting businesses, particularly with regard to county building permits, with a view toward streamlining the approval process for businesses through amendments or repeal of rules that may impose burdensome or unnecessary costs for businesses, especially small businesses. This bill also requires the task force to make recommendations on amending or repealing rules and requires the Comptroller to submit a report to the Legislature on the findings and recommendations of the task force.

The Department of Planning and Permitting of the City and County of Honolulu and several concerned individuals supported this bill. The Department of Accounting and General Services opposed this measure.

In light of concerns raised in the public hearing, your Committee has amended this measure by:

- (1) Specifying that the Comptroller is required to convene the initial meeting of the task force, and requiring the members of the task force to select a member from among them to serve as chairperson;
- (2) Deleting the provision stipulating that the Comptroller determine the task force composition and, instead, delineating specific members of the task force;
- (3) Instead of the Comptroller, requiring the task force to fulfill the reporting requirement contained in this measure;
- (4) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1213, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1213, 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 Brower, Choy, Nishimoto and Pine.

**SCRep. 990 Economic Revitalization & Business on S.B. No. 1161**

The purpose of this bill is to expedite the deployment of high-speed broadband technology in Hawaii by exempting:

- (1) Certain broadband infrastructure improvements from state and county permitting requirements; and
- (2) A person or entity from any requirement to upgrade or replace existing utility poles when using that pole to install new or improve existing telecommunications cables, under certain conditions.

The Chamber of Commerce of Hawaii and Hawaiian Telcom supported this bill. The Department of Land and Natural Resources, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, Department of Business, Economic Development, and Tourism, Department of Transportation, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and a Councilmember of the Maui County Council opposed this bill. The Office of Environmental Quality Control, tw telecom, and a concerned individual submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 1342, H.D. 1, Regular Session of 2011, with additional amendments. As amended, this measure differs from the measure as referred to your Committee by:

- (1) Specifying that the overall weight load on the utility pole must not exceed maximum utility pole safe weight capacities established by the Hawaii Public Utilities Commission, in addition to the Federal Communications Commission, when using that pole to install new or improve existing telecommunications cables;
- (2) In cases where a written request for access to a utility pole is not granted, requiring the utility to confirm the denial in writing by the 45<sup>th</sup> day after the written request for access, explain the specific rationale for denial of access, and inform the party requesting access of alternative poles or conduits that are available;
- (3) Incorporating an effective date of July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1161, 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 Brower and Pine.

**SCRep. 991 Economic Revitalization & Business on S.B. No. 1522**

The purpose of this bill is to ensure the health and safety of dogs and protect the community from purchasing unhealthy dogs by establishing license requirements to regulate large-scale dog breeders.

The Department of the Prosecuting Attorney for the City and County of Honolulu, Humane Society of the United States, Hawaiian Humane Society, Hawaii Island Humane Society, West Hawaii Humane Society, and numerous concerned individuals supported this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs submitted comments.

Your Committee notes that under the definition of "large-scale dog breeder" established in this bill, the phrase "for compensation or profit" does not appear to apply to:

- (1) A person who owns or harbors twenty or more intact female dogs over six months of age that are intended for breeding; or
- (2) A person who owns or harbors a total of thirty intact dogs over the age of six months that are intended for breeding on the premises.

Your Committee respectfully requests your Committee on Consumer Protection and Commerce and your Committee on Judiciary to address this particular matter as this measure moves forward in the legislative process.

Your Committee has amended this measure by:

- (1) Inserting a fine amount of \$2,000 per animal for a person or large-scale dog breeder who engages in certain prohibited acts;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1522, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1522, 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 Brower and Pine.

**SCRep. 992 Economic Revitalization & Business on S.B. No. 298**

The purpose of this bill is to establish an organizational and regulatory framework for sustainable business corporations.

The Hawaii Venture Capital Association, The Chamber of Commerce of Hawaii, Entrepreneurs Foundation of Hawaii, American Sustainable Business Council, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Requiring a sustainable benefit corporation to make its required annual benefit report available to the public for a 60-day public comment period prior to final publication of the report;
- (2) Requiring the benefit director's statement included in the final draft of the benefit report to include formal responses to all questions, concerns, comments, and suggestions raised through the public comment period;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 298, S.D. 3, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 993 Hawaiian Affairs on S.B. No. 1**

The purpose of this measure is to recognize native Hawaiians as the only indigenous, aboriginal, maoli population of Hawaii and to support the organization of a native Hawaiian governing entity.

Specifically, the measure:

- (1) Establishes a nine-member native Hawaiian roll commission to prepare and maintain a roll of qualified native Hawaiians;

- (2) Requires the commission, after publication of the roll, to appoint an interim council of nine members from the roll to commence the organization of a convention of qualified native Hawaiians;
- (3) Requires the Governor to dissolve the commission after an interim council is appointed; and
- (4) Appropriates unspecified funds.

Your Committee received testimony in support of this measure from Maunaloa Hawaiian Civic Club, Native Hawaiian Chamber of Commerce, Association of Hawaiian Civic Clubs, IMU Alliance, a Hawaii state senator, and one private individual. The Department of Hawaiian Home Lands supported the purpose and intent of the measure.

Your Committee received testimony in opposition to this measure from two individuals.

Your Committee received comments on this measure from the Aha Kiole Advisory Committee and the Office of Hawaiian Affairs.

Your Committee has amended this measure by:

- (1) Revising the definition of the term "qualified native Hawaiian" from descendants whose peoples "exercised sovereignty and subsisted in the Hawaiian Islands, and which peoples thereafter have continued to reside in the Hawaiian Islands" to descendants whose people, "prior to 1778, occupied and exercised sovereignty in the Hawaiian Islands, the area that now constitutes the State of Hawaii,";
- (2) Requiring a qualified native Hawaiian to have maintained a significant cultural, social, or civic connection to the native Hawaiian community;
- (3) Eliminating the interim council;
- (4) Providing for a native Hawaiian convention, which may be commenced by qualified native Hawaiians following the publication of the roll of qualified native Hawaiians;
- (5) Requiring that the Governor dissolve the commission upon being informed that the commission has published notice of the updated roll, rather than after the appointment of the interim council; and
- (6) Making technical, nonsubstantive changes for the purposes of 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. 1, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 994 Hawaiian Affairs on S.B. No. 101**

The purpose of this bill is to preserve the availability of poi prepared through customary and traditional Hawaiian cultural food-preparation practices by exempting an individual producer of hand-pounded poi from state food-safety laws when selling directly to consumers as long as the producer abides by specified conditions.

The Office of Hawaiian Affairs, Hawaii Fathers-4-Justice, Na Wa'a Hanakahi Education and Culture Organization, Sustainable UH, and numerous concerned individuals supported this bill. The Department of Health (DOH) offered comments.

After careful consideration, your Committee has amended this bill by:

- (1) Establishing the DOH exemptions for hand-pounded poi in Chapter 321, Hawaii Revised Statutes;
- (2) Authorizing DOH to issue a cease-and-desist notice to terminate any distribution or sale of a hand-pounded poi product if it receives complaints relating to concerns about public health, particularly complaints about food-borne illnesses;
- (3) Modifying the consumer-advisory statement on hand-pounded poi products;
- (4) Removing the following labeling requirements for hand-pounded poi products:
  - (A) The net weight of the hand-pounded poi; and
  - (B) The date on which the hand-pounded poi was produced;
- (5) Allowing poi kept at ambient temperatures to be served or offered for sale in a ready-to-eat form upon the request or with the knowledge of the consumer;
- (6) No longer requiring producers of hand-pounded poi to abide by community best practices; and
- (7) Adding definitions for, among other things, "hand-pounded poi", "papa ku'i 'ai" (poi-pounding board), and "pōhaku ku'i 'ai" (poi-pounding stone).



Your Committee notes that DOH suggested that the goal of this bill might be better addressed by amending the Hawaii Administrative Rules rather than statutory law.

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. 101, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 101, S.D. 1, H.D. 1, and be referred to the Committee on Health.

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

**SCRep. 995 Hawaiian Affairs on S.B. No. 333**

The purpose of this bill is to help preserve the unique cultural and historic heritage of Hawaii by expanding the uses of the Hawaii Historic Preservation Special Fund (Fund) by requiring that one percent of all capital improvement appropriations for the construction or renovation of state buildings be deposited into the Fund.

This bill also allows moneys in the Fund to be used for site modifications, display, and interpretive work necessary to enhance the visitor experience for the Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place, including specific preventive maintenance and repairs to restore these facilities to a condition reflecting their status in Hawaii's history and the unique heritage of its arts and culture.

The Department of Land and Natural Resources, Department of Accounting and General Services, Bishop Museum, and Friends of Iolani Palace supported this bill. The Association of Hawaiian Civic Clubs, Aha Kiole Advisory Committee, and Hawaii Maoli supported the intent of this measure. The Department of Transportation and a concerned individual opposed this bill. The Department of the Attorney General and Department of Budget and Finance offered comments.

After careful consideration, your Committee has amended this bill by:

- (1) Adding Mauna Ala to the places for which Fund moneys can be used for site modifications, display, and interpretive work;
- (2) Changing its effective date to July 1, 2011; 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 is in accord with the intent and purpose of S.B. No. 333, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 333, S.D. 3, H.D. 1, and be referred to the Committee on Water, Land, & Ocean Resources.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 996 Hawaiian Affairs on S.B. No. 981**

The purpose of this bill is to protect native Hawaiian and Hawaiian traditional customary rights by requiring:

- (1) Members of certain state councils, boards, and commissions to undergo training conducted by the Office of Hawaiian Affairs (OHA) on issues related to native Hawaiian rights; and
- (2) OHA to establish, design, and facilitate a training course related to native Hawaiian and Hawaiian traditional and customary rights.

OHA, the Association of Hawaiian Civic Clubs, Aha Kiole Advisory Committee, and Sovereign Councils of the Hawaiian Homelands Assembly testified in support of this bill. A concerned individual opposed this measure. The Department of Land and Natural Resources and Land Use Research Foundation of Hawaii provided comments.

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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 997 Hawaiian Affairs on S.B. No. 1130**

The purpose of this bill is to preserve the Hawaiian language and culture by requiring that state and county documents, letterheads, emblems, and symbols, when newly created, replaced, or reprinted, contain accurate, appropriate, and authentic Hawaiian names and language.

A concerned individual testified in support of this bill. A concerned individual opposed this measure. The Mayor of the City and County of Honolulu 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 is in accord with the intent and purpose of S.B. No. 1130, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 998 Hawaiian Affairs on S.B. No. 1520**

The purpose of this bill is to establish a process for the organization of a First Nation government by native Hawaiians and its subsequent recognition by the State.

The Department of Hawaiian Home Lands and Maunaloa Hawaiian Civic Club supported this bill. Hui Aloha Aina, The Hawaiian Kingdom, The Committee of Hawaiian Nationals, The Koani Foundation, Aloha Aina Foundation, Imua Alliance, and several concerned individuals opposed this measure. The Office of Hawaiian Affairs, Senator from the First District, Association of Hawaiian Civic Clubs, and a concerned individual offered comments.

After careful consideration, your Committee has amended this bill by deleting its contents and adding a new chapter to the Hawaii Revised Statutes that recognizes native Hawaiians as "the only indigenous, aboriginal, maoli people of Hawaii."

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. 1520, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1520, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 999 Hawaiian Affairs/Public Safety & Military Affairs on S.B. No. 986**

The purpose of this bill is to promote fairness within the criminal justice system by establishing a task force to formulate policies and procedures to reduce the unnecessary involvement of individuals, particularly Native Hawaiians, with Hawaii's criminal justice system.

The Office of Hawaiian Affairs, the American Civil Liberties Union of Hawaii, the Association of Hawaiian Civic Clubs, the Sovereign Councils of the Hawaiian Homelands Assembly, a member of the Maui County Council, and concerned individuals supported this bill. The Community Alliance on Prisons supported the intent of this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu and Honolulu Police Department opposed this bill. The Judiciary offered comments.

After careful consideration, your Committees have amended this bill by:

- (1) Removing the chief of one of the county police departments as a member of the task force;
- (2) Adding as members of the task force:
  - (A) A criminologist; and
  - (B) A member of the general public;
- (3) Allowing certain members of the task force to name designees to serve in their place on the task force;
- (4) Removing appropriations from the bill;
- (5) Changing its effective date to July 1, 2011; 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 Hawaiian Affairs and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 986, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 986, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1000 Energy & Environmental Protection on S.B. No. 699**

The purpose of this bill is to ensure the protection of Hawaii's environment by:

- (1) Establishing the Environmental Review Special Fund (Special Fund);
- (2) Stipulating the types of moneys to be deposited into the Special Fund and what the moneys in the Special Fund shall be used for; and

- (3) Establishing filing fees for environmental review documents to help fund the operations of the Office of Environmental Quality Control (OEQC).

OEQC and several concerned individuals testified in support of this bill. The Department of Design and Construction of the City and County of Honolulu and Land Use Research Foundation of Hawaii testified in opposition to this measure. The Department of Budget and Finance and Department of Land and Natural Resources provided comments.

Currently, OEQC is charged with the duty to ensure environmental protection in Hawaii. Their responsibilities include:

- (1) Managing the Environmental Assessment (EA) and Environmental Impact Statement (EIS) process;
- (2) Providing education and outreach about the EA and EIS process and law;
- (3) Publishing an annual report on Hawaii's environment; and
- (4) Acting as a public voice for Hawaii's environment including serving as a legislative advocate for the environment and as an environmental complaint repository.

However, current funding levels for OEQC have resulted in inadequate staffing, making the fulfillment of this duty and these responsibilities difficult. This measure addresses this issue by providing a mechanism for supplemental funding for OEQC.

Your Committee has amended this measure by:

- (1) Clarifying its purpose;
- (2) Allowing the Director of Environmental Quality Control to appoint staff without regard to Hawaii's Civil Service law and Collective Bargaining in Public Employment law;
- (3) Inserting actual dollar amounts for the established interim filing fees;
- (4) Changing the reference to the fee for any supplemental EA to refer instead to the fee for other significant addendum to a final EA;
- (5) Changing the reference to the fee for any supplemental EIS to refer instead to the fee for a final EA or supplemental EIS preparation notice;
- (6) Inserting two additional fees for filing a supplemental draft EIS and any supplemental final EIS;
- (7) Stipulating that the interim filing fees shall be effective 30 days after the enactment of this measure and shall apply to initial filings and related subsequent filings until fees are established by rules;
- (8) Providing an exemption from the payment of fees for environmental studies filed with OEQC prior to the enactment of this measure for a period of 180 days from the enactment of this measure; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 699, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 699, 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, Har and Ito.

**SCRep. 1001 Energy & Environmental Protection on S.B. No. 704**

The purpose of this bill is to support the State's overall clean energy objectives by specifying that third-party owners and operators of on-site renewable energy generating systems are exempt from being regulated as a public utility.

The Solar Alliance, SunRun Inc., SolarCity, Hawaii Renewable Energy Alliance, and Hawaii Solar Energy Association testified in support of this bill. Kairos Energy Capital LLC testified in support of the intent of this measure. The Chair of the Public Utilities Commission (PUC) provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation despite having some of the most diversified renewable energy options and sources in the world. With our abundance of sunshine and at times, wind, solar and wind energy represent two forms of renewable energy that are immediately available and which offer substantial renewable energy opportunities. Unfortunately, financial barriers often prohibit Hawaii residents and businesses from purchasing renewable energy systems. Third-party suppliers of renewable energy may offer these individuals an alternative. However, third-party suppliers of renewable energy should not be confused with a public utility in that they provide supplemental power to a customer who generally remains on the electric public utility grid or to the electric utility itself. This measure clarifies this matter.

Nevertheless, your Committee notes the concerns raised by Kairos Energy Capital LLC that passage of this measure in its present form may have the unintended consequence of removing the discretionary authority of PUC or courts to make a determination that renewable energy facilities are not public utilities in certain appropriate circumstances due to the specificity of the language contained in this bill. Your Committee finds that this issue needs further consideration and thus respectfully requests the Committee on Consumer Protection and Commerce to review this matter more closely.

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. 704, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong, Har and Ito.

**SCRep. 1002 Energy & Environmental Protection on S.B. No. 1244**

The purpose of this bill is to assist the State in meeting its clean energy goals by making the renewable energy facility siting process available to biofuel production facilities and distribution infrastructure with the capacity to produce or distribute 100,000 gallons or more of biofuel annually.

The Department of Business, Economic Development, and Tourism, Hawaii BioEnergy, and the Pacific Resource Partnership testified in support of this bill.

Your Committee finds that this measure encourages and expedites the permitting process for the development of renewable energy facilities in Hawaii. By expanding the applicability of the renewable energy facility siting process to biofuel distribution infrastructure and producers with lower production capacities, the State will increase participation in the process and more quickly achieve its clean energy goals.

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. 1244, 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, Har and Ito.

**SCRep. 1003 Energy & Environmental Protection on S.B. No. 1346**

The purpose of this measure is to increase the use of renewable energy and reduce the State's reliance on imported fossil fuel by amending the definition of "renewable electrical energy" to include customer-sited, grid-connected, renewable energy generation beginning January 1, 2015.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaiian Electric Company. Your Committee received testimony in opposition to this measure from the Hawaii Renewable Energy Alliance. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that this measure would reduce the State's reliance on imported fossil fuel and increase the use of renewable energy by clarifying Hawaii's renewable portfolio standards law to include all renewable energy delivered to the utility as part of the renewable portfolio standards.

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. 1346, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong, Har and Ito.

**SCRep. 1004 Energy & Environmental Protection on S.B. No. 1482**

The purpose of this measure is to require the Public Utilities Commission to consider the need to reduce the State's reliance on fossil fuels when exercising its authority under chapter 269, Hawaii Revised Statutes.

In addition, the measure requires the Public Utilities Commission to consider the impacts of using fossil fuels when making determinations of the reasonableness of the costs of utility system capital improvements and operations.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Blue Planet Foundation, Hawaii Renewable Energy Alliance, Life of the Land, and three individuals. Your Committee received testimony in opposition to this measure from the Western States Petroleum Association. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that Hawaii is dangerously reliant on imported fossil fuel, which subjects the State and residents to greater oil and gas price volatility, increased air pollution, and potentially harmful climate change due to the release of harmful greenhouse gases. Your Committee further finds that these adverse conditions carry with them hidden costs that are not always considered by the Public Utilities Commission when the Commission makes decisions regarding utility system capital improvements and operations. This measure will assist in reducing the State's reliance on fossil fuels by requiring the Commission to factor in the hidden and long-term costs of the State's detrimental reliance on fossil fuels when exercising its statutory authority.

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. 1482, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1005 Consumer Protection & Commerce on S.B. No. 1270**

The purpose of this bill is to appropriate an unspecified amount of moneys from the Hawaii Hurricane Relief Fund to the general fund to help balance the State's fiscal year 2011-2012 budget and maintain the levels of programs determined to be essential for education, public health, and public welfare.

The Department of Budget and Finance and a concerned individual supported this bill. The Hawaii Independent Insurance Agents Association and Hawaii Association of REALTORS® opposed this measure. The Department of Commerce and Consumer Affairs 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. 1270, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1006 Consumer Protection & Commerce on S.B. No. 1347**

The purpose of this bill is to require the Public Utilities Commission (PUC) to accept filings electronically.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaiian Telcom, Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, Inc., and Maui Electric Company, Ltd., and Aina Koa Pono supported this measure. The PUC provided comments.

Your Committee has amended this measure by:

- (1) Allowing electric utility companies to use a PUC-approved automatic rate adjustment clause to meet increased revenue requirements incurred when the electric utility company and its electric utility subsidiaries aggregate their renewable portfolios to meet a renewable portfolio standard; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee finds that the renewable portfolio standards law was enacted to accelerate the development of renewable resources, furthering the State's goal of energy independence. The amendment to this measure will facilitate electric utility companies and their electric utility subsidiaries in meeting increased revenue requirements incurred when they aggregate to meet a renewable portfolio standard. This, in turn, will facilitate the development of renewable energy projects leading to a reduction in Hawaii's reliance on imported petroleum fuels and transitioning Hawaii to a renewable energy State.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1347, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1007 Consumer Protection & Commerce on S.B. No. 1349**

The purpose of this bill is to authorize Hawaii nonprofit corporations to use electronic communications technology to permit member actions by ballot, conduct voting, provide notice, and conduct meetings.

The Department of Commerce and Consumer Affairs, University of Hawaii Professional Assembly, Aloha Society of Association Executives, Hawaii Alliance of Nonprofit Organizations, and Hawaii Association of Independent Schools supported 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 S.B. No. 1349, 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 Carroll, Herkes and Morita.

**SCRep. 1008 Consumer Protection & Commerce on S.B. No. 583**

The purpose of this bill is to authorize the Director of Commerce and Consumer Affairs to designate access organizations to oversee public, educational, and governmental channels on cable televisions.

The Department of Commerce and Consumer Affairs, Maui Democratic Party, Americans for Democratic Action/Hawaii, Community Alliance on Prisons, Olelo Community Media, A Vessel of Mercy Ministry, and several concerned individuals supported this bill. The State Procurement Office and a concerned individual opposed this measure.

Your Committee amended this measure by:

- (1) Changing its effective date from July 1, 2050, 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 583, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 583, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1009 Consumer Protection & Commerce on S.B. No. 1276**

The purpose of this bill is to update the Insurance Code, Chapter 431, Hawaii Revised Statutes (HRS), and the laws relating to the Hurricane Relief Fund, Chapter 431P, HRS, and mutual benefit societies, Chapter 432:1, HRS.

The Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association supported this bill. The American Council of Life Insurers provided comments.

Your Committee amended this measure by replacing its contents with those of H.B. No. 1049, H.D. 1, a substantially similar measure. As amended, this measure also increases the time, from 30 to 75 calendar days, in which the Insurance Commissioner can grant or deny approval of a request after which automatic approval occurs.

Your Committee has also amended this measure by making it effective upon approval and 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. 1276, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1010 Transportation on S.B. No. 35**

The purpose of this bill is to amend the Motor Vehicle Industry Licensing Act to:

- (1) Clarify that the same procedures, protections, rights, and remedies provided to auto dealers under Act 164, Session Laws of Hawaii 2010 (Act 164), also apply to distributors that are not manufacturers; and
- (2) Delete a definition of "good faith" that is no longer necessary, as it is not used in the paragraph in which it was intended to apply.

The Department of Commerce and Consumer Affairs (DCCA), Hawaii Automobile Dealers Association, Alliance of Automobile Manufacturers, and Motor Vehicle Industry Licensing Board testified in support of this bill.

Act 164, established certain rights and duties among motor vehicle dealers and manufacturers to address a difficult economic climate and major changes in the automotive industry. While Act 164 was intended to apply to distributors as well, those provisions were mistakenly omitted from the final Act. According to DCCA, this measure reconciles existing statutory language with part II of Chapter 437, Hawaii Revised Statutes, which was added by Act 164, and applies those provisions to distributors, as originally intended.

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. 35 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 Luke.

**SCRep. 1011 Transportation on S.B. No. 1342**

The purpose of this bill is to clarify the requirements for displaying disabled parking placards in vehicles of persons with disabilities by stipulating that disabled parking placards may be displayed on a vehicle's dashboard if the design of the vehicle's rearview mirror precludes secure hanging of the placard from the rearview mirror.

A concerned individual testified in support of this bill. The Disability and Communication Access Board (DCAB) provided comments.

Current law requires a disabled parking placard to be displayed by hanging the placard from a rearview mirror of a motor vehicle unless the motor vehicle does not have a rearview mirror in which case the placard may be displayed on the dashboard of the vehicle. However, some rearview mirrors are designed in a way that precludes the hanging of a disabled parking placard in a secure fashion from them. Your Committee has been informed by DCAB that individuals with such mirrors have been given citations for illegally displaying a disabled parking placard when they placed their placards on the dashboard of their automobile. Under those circumstances, being legally able to place a disabled parking placard on a vehicle's dashboard appears reasonable. This measure addresses this issue.

Your Committee has amended this bill by clarifying that the placard shall be displayed by hanging it from a rearview mirror of the vehicle when the placard is in use.

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. 1342, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1342, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Luke.

**SCRep. 1012      Housing on S.B. No. 1301**

The purpose of this bill is to conform state laws that prohibit housing discrimination with applicable federal law.

Specifically, this bill makes exemptions from prohibited discriminatory practices in the State's fair housing laws consistent with similar exemptions in the federal Fair Housing Amendments Act by:

- (1) Clarifying that the exemptions apply to lessors and owners; and
- (2) Making persons protected under section 515-16, Hawaii Revised Statutes (HRS), regarding discriminatory practices, consistent with Chapter 515, HRS, the discrimination on real property transactions law.

The Hawai'i Civil Rights Commission and Legal Aid Society of Hawaii 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 S.B. No. 1301, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 1013      Housing/Human Services on S.B. No. 897**

The purpose of this bill is to formulate and coordinate a unified plan to address homelessness in all counties and facilitate the acquisition of federal funding for homeless programs by establishing the Hawaii Interagency Council on Homelessness.

The Hawaii Association of REALTORS® and an interested individual testified in support of this bill. The Department of Human Services, Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, Helping Hands Hawaii, Partners in Care, and the Roman Catholic Church in the State of Hawaii submitted comments on this measure.

Your Committees have amended this bill by:

- (1) Adding at least one representative from each of the following agencies and organizations to serve on the Hawaii Interagency Council on Homelessness: Office of Hawaiian Affairs, Department of Hawaiian Home Lands, and Leeward Housing Coalition; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 897, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 897, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1014      Housing on S.B. No. 903**

The purpose of this bill is to preserve United States Department of Housing and Urban Development and United States Department of Agriculture housing projects in Hawaii as affordable rental housing projects in perpetuity by establishing the Affordable Rental Housing Development Program under the Hawaii Housing Finance and Development Corporation (HHFDC).

Catholic Charities Hawaii and a concerned individual testified in support of this bill. HHFDC testified in opposition to this measure. Partners in Care and the Roman Catholic Church in the State of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Specifying that affordable units under the Affordable Rental Housing Development Program shall be held to the same maintenance requirements as those of different target income groups or mixed use development, and shall not be subject to deferred maintenance; and
- (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. 903, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 903, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1015      Housing on S.B. No. 1125**

The purpose of this bill is to:

- (1) Make the Condominium Dispute Resolution Pilot Project permanent; and
- (2) Preserve the availability of mediation, arbitration, administrative resolution and the right of judicial appeal for disputes related to certain condominium matters;

by repealing the sunset date of the Condominium Dispute Resolution Pilot Project.

The Hawaii Council of Associations of Apartment Owners and a concerned individual testified in support of this bill. Mililani Town Association, CAI, and several individuals testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Extending the sunset date of the Condominium Dispute Resolution Pilot Project to June 30, 2015;
- (2) Making a technical, nonsubstantive amendment to reflect a June 29, 2050, effective date.

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. 1125, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1125, S.D. 2, H.D. 1, and be referred to the Committees on Judiciary and Consumer Protection & Commerce.

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

**SCRep. 1016      Education on S.B. No. 1171**

The purpose of this bill is to provide the Department of Education (DOE) with the flexibility to help implement reform plans by permitting an exception from the single school calendar for schools designated by the Board of Education in furtherance of a plan to improve education outcome in students.

DOE and a concerned individual supported this bill. The Hawaii State Teachers Association 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 S.B. No. 1171 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1017      Consumer Protection & Commerce on S.B. No. 123**

The purpose of this bill is to exempt insurance producers from specified recordkeeping requirements for motor vehicle and homeowners' insurance contracts, provided the records of these types of insurance are:

- (1) Maintained electronically;
- (2) Accessible by the producer; and
- (3) Available within one business day.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies 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. 123, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 1018      Labor & Public Employment on H.R. No. 72**

The purpose of this resolution is to request the United States Department of Labor to examine federal laws and regulations to allow states to more readily enact unemployment compensation-related laws that will allow fear of domestic or sexual violence to be a valid reason for not accepting suitable work.

The Department of Labor and Industrial Relations submitted comments on this measure.

Your Committee has amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE UNITED STATES CONGRESS TO EXAMINE FEDERAL LAWS AND REGULATIONS TO ALLOW STATES TO MORE READILY ENACT UNEMPLOYMENT COMPENSATION-RELATED LAWS



THAT ALLOW FEAR OF DOMESTIC OR SEXUAL VIOLENCE TO BE A VALID REASON FOR NOT ACCEPTING SUITABLE WORK";

- (2) Directing the request to the United States Congress, rather than the United States Department of Labor;
- (3) Expanding the scope of the measure to include an examination of "able and available" work requirements as they apply to victims of domestic or sexual violence who seek unemployment compensation and insurance benefits; 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 concurs with the intent and purpose of H.R. No. 72, as amended herein, and recommends that it be referred to the Committee on Human Services in the form attached hereto as H.R. No. 72, H.D. 1.

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

**SCRep. 1019 Labor & Public Employment on H.C.R. No. 80**

The purpose of this concurrent resolution is to request the United States Department of Labor to examine federal laws and regulations to allow states to more readily enact unemployment compensation-related laws that will allow fear of domestic or sexual violence to be a valid reason for not accepting suitable work.

The Department of Labor and Industrial Relations submitted comments on this measure.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE UNITED STATES CONGRESS TO EXAMINE FEDERAL LAWS AND REGULATIONS TO ALLOW STATES TO MORE READILY ENACT UNEMPLOYMENT COMPENSATION-RELATED LAWS THAT ALLOW FEAR OF DOMESTIC OR SEXUAL VIOLENCE TO BE A VALID REASON FOR NOT ACCEPTING SUITABLE WORK";
- (2) Directing the request to the United States Congress, rather than the United States Department of Labor;
- (3) Expanding the scope of the measure to include an examination of "able and available" work requirements as they apply to victims of domestic or sexual violence who seek unemployment compensation and insurance benefits; 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 concurs with the intent and purpose of H.C.R. No. 80, as amended herein, and recommends that it be referred to the Committee on Human Services in the form attached hereto as H.C.R. No. 80, H.D. 1.

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

**SCRep. 1020 Housing/Water, Land, & Ocean Resources on S.B. No. 1394**

The purpose of this bill is to authorize the Hawaii Public Housing Authority to enter into contracts with eligible developers to develop public housing projects in exchange for the right to develop a portion of a public housing project for commercial use.

The Hawaii Public Housing Authority testified in support of this bill. The Roman Catholic Church in the State of Hawaii submitted comments.

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. 1394, 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 Har, Ito and Thielen.

**SCRep. 1021 Housing/Water, Land, & Ocean Resources on S.B. No. 904**

The purpose of this bill is to facilitate the implementation of the Housing First Program under section 346-378, Hawaii Revised Statutes, by requiring the Department of Human Services (DHS) to:

- (1) Identify properties statewide that are zoned and have infrastructure for developing affordable rental housing for low-income individuals and families under the Housing First Program;
- (2) Report its findings and recommendations by December 1, 2011, to the Governor and the Legislature.

Catholic Charities Hawaii, the Drug Policy Forum of Hawaii, Partners in Care, Hawaii Catholic Conference, Roman Catholic Church in the State of Hawaii, and Hawaii Family Forum testified in support of this bill. DHS testified in opposition to this bill.

Your Committees would like to note the concerns of DHS's Homeless Programs Office in that the office is facing a staffing shortage and lacks the expertise to identify suitable properties for the Housing First Program, as well as conduct feasibility and cost analysis to meet the requirements in the bill. However, your Committees recognize the importance of confronting homelessness in the State, which includes transitioning persons who are homeless to permanent housing. Given the merits of the bill, it is your Committees' intent to advance this bill to afford time for stakeholders to address these concerns.

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. 904, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1022      Housing/Water, Land, & Ocean Resources on S.B. No. 912**

The purpose of this bill is to help increase the availability of rental housing for persons who face obstacles in moving from homelessness to permanent housing and persons with lower incomes who need to find affordable rental housing, by:

- (1) Appropriating funds for the Housing Placement Program that includes improving existing affordable housing stock and increasing affordable housing units in the State; and
- (2) Requiring the Department of Human Services (DHS) to identify real estate properties statewide that are appropriately zoned and have necessary infrastructure for developing affordable rental housing for low-income individuals and families under the Housing First Program.

Catholic Charities Hawai'i, Helping Hands Hawai'i, and Partners in Care testified in support of this bill. The Roman Catholic Church in the State of Hawaii testified in support of the bill and suggested amendments. DHS, the City and County of Honolulu Department of Community Services, and the Hawai'i Association of REALTORS® submitted comments.

Your Committees have amended this bill by:

- (1) Specifying "affordable rental housing" and "public rental housing," rather than "affordable housing" and "public housing," respectively; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 912, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 912, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1023      Hawaiian Affairs on S.B. No. 1290**

The purpose of this bill is to adjust the limit that the Department of Hawaiian Home Lands (DHHL) is authorized to borrow or guarantee to cover the guarantee requirements for its housing program.

DHHL and the Department of Budget and Finance testified in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2011.

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. 1290, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1024      Hawaiian Affairs on S.B. No. 985**

The purpose of this bill is to support programs that benefit Hawaiians and native Hawaiians by appropriating funds for the operating budget of the Office of Hawaiian Affairs (OHA).

OHA, the Association of Hawaiian Civic Clubs, Papa Ola Lokahi, Aha Kiole Advisory Committee, and the Sovereign Councils of the Hawaiian Homelands Assembly testified in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2011.

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. 985, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 985, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1025 Education on S.B. No. 806**

The purpose of this bill is to improve the stability and professionalism of teachers in the State by:

- (1) Allowing teachers and educational officers who are members of the Hawaii Teacher Standards Board (HTSB) and retire during a term to serve the remainder of their term up to three consecutive three-year terms;
- (2) Authorizing career and technical education licenses to allow qualified individuals to teach when recommended by the Superintendent of Education without a bachelor's degree;
- (3) Extending the term of a renewable advanced license from five to ten years; and
- (4) Requiring a teacher to attend training prior to applying for license renewal on new student and teacher performance standards if those standards are adopted more than three years prior to a teacher's license renewal date.

HTSB supported this bill with amendments. The Hawaii State Teachers Association supported the intent of this measure. The Department of Education provided comments.

Your Committee has amended this bill by:

- (1) Removing language permitting HTSB to develop criteria for the issuance of Career and Technical Education licenses and instead permitting HTSB to develop criteria for a full Career and Technical Education license for individuals with specified qualifications;
- (2) Granting HTSB the power to:
  - (A) Forfeit, restore, and condition licenses; and
  - (B) Establish policies and procedures to approve alternative pathways to teaching;
- (3) Removing the requirement that teachers attend training on new student and teacher performance standards as a condition for license renewal;
- (4) Requiring that teachers pay license fees in a timely manner as a condition of license renewal;
- (5) Requiring teacher education programs approved by HTSB to have attained appropriate national accreditation; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 806, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 806, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1026 Education on S.B. No. 1281**

The purpose of this bill is to provide increased stability and predictability for principals and school community councils with respect to the weighted student formula by requiring the Committee on Weights to meet, thereby re-opening the weighted student formula, only once every odd-numbered year, rather than annually.

The Department of Education supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1027 Education on S.B. No. 1375**

The purpose of this bill is to address the unique needs of multi-track public schools by providing exemptions from the school day and instructional hours requirements imposed on other non-charter public schools.

The Department of Education and Board of Education supported this bill. Several concerned individuals opposed this measure. The Hawaii State Teachers Association provided comments.

Your Committee has amended this bill by:

- (1) Removing the exemption for instructional hours;
- (2) Specifying as 90 percent, the number of days that multi-track public schools must meet in the event that this percentage is greater than 171 days; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1375, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1375, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1028 Education on S.B. No. 1485**

The purpose of this bill is to help improve the quality of education in Hawaii by authorizing the Superintendent of Education to:

- (1) Reconstitute public schools, except for charter schools, after specified considerations have been made, that are in restructuring for four or more school years; and
- (2) Recommend to the Charter School Review Panel actions that should be taken to reconstitute a charter school that has been in restructuring for four or more school years, including the revocation of a school's charter.

The Department of Education, Kamehameha Schools, and Hawaii Association of Independent Schools supported this bill. The Hawaii State Teachers Association, Hawaii Government Employees Association, Imua Alliance, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that charter schools are excepted from the Superintendent's authorization to reconstitute a public school; and
- (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. 1485, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1485, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1029 Transportation/Consumer Protection & Commerce on S.B. No. 1326**

The purpose of this bill is to improve the efficiency of contracting for utility work along state and federally funded roads by expanding the cost sharing in state or county projects, which is currently limited to projects involving relocation of utility facilities, to include work such as undergrounding and installation of new facilities.

Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company testified in support of this bill.

In the past, when costs for the removal, relocation, replacement, or reconstruction of private utility facilities on State or county highways exceeded \$10,000, the utility and government entity were required by law to equally share the costs of the excess amount. However, differing opinions about the payment process and disagreements as to whether certification requirements of contracts under the Hawaii Public Procurement Code related to situations involving shared costs between a government entity and a utility often resulted in the government entity being required to provide the utility's share before the construction project could be certified and move forward. These funds were thus unavailable for use on other projects, at times for a period from one to two years, until the utility work was started. Act 140, Session Laws of Hawaii 2010 (Act 140), was passed to address this issue.

By allowing the payment process established under Act 140 to apply to other utility work on state or county projects rather than only on the relocation of utility facilities, the efficiency of contracting for utility work along state and federally funded roads will increase, which benefits both the public and state agencies.

Your Committees have amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1326, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1326, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Cabanilla, Carroll, Cullen, Ito, McKelvey, Ching and Thielen.

**SCRep. 1030      Transportation/Consumer Protection & Commerce on S.B. No. 98**

The purpose of this bill is to ensure that Hawaii's regulated water cargo transportation industry serves the public interest by, among other things:

- (1) Requiring the Public Utilities Commission (PUC) to hold public hearings, subject to specified notice requirements, before approving a water carrier's application for a certificate of public convenience and necessity;
- (2) Specifying the findings required to support the issuance of a certificate of public convenience and necessity to a water carrier, and requiring these findings to be supported by evidence in the record;
- (3) Prohibiting PUC from issuing any certificate of public convenience and necessity that is designated as interim or temporary or that otherwise does not conform to the requirements contained in this measure except in response to an emergency situation and stipulating what constitutes an emergency situation; and
- (4) Requiring PUC to post a link on its website to a publicly accessible electronic version of each application for a certificate of public convenience and necessity submitted by a water carrier and each order of the PUC related to the posted applications and to specify requirements for the type, method, and duration of postings.

The Hawaii Cattlemen's Council; Molokai Chamber of Commerce Foundation; Kona-Kohala Chamber of Commerce; Young Brothers, Limited; Hawaii Food Industry Association; and Hawaii Farm Bureau Federation testified in support of this bill. The Consumer Advocate of the Department of Commerce and Consumer Affairs testified in support of the intent of this measure. PUC provided comments.

Hawaii is an island state that depends upon its waterways between islands for the transport of various goods and essentials. Numerous businesses and industries use water transportation carriers to ship goods from factories, warehouses, or stores to various markets among the Hawaiian Islands. This is especially true of the agricultural industry which relies heavily on water carriers for farm-to-market transportation of agricultural products among the islands. As such, ensuring the existence of a reliable water carrier service is vital to the economy of this State, particularly to the economic growth and sustainability of the neighbor islands, which is one reason why the water cargo transportation industry is a regulated industry.

Currently, Hawaii law requires that a water carrier that wishes to engage in water transportation within the State apply for and receive a certificate of public convenience and necessity from PUC. However, your Committees find that a recent ruling by PUC that allowed a water carrier to serve only particular lines of service may not meet the basic intent of the public convenience and necessity requirement of the Hawaii Water Carrier Act and actually created unfairness among water carriers operating in the State. This measure attempts to correct this issue.

As affirmed by the records of votes of the members of your Committees on Transportation and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 98, 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 Aquino, Cabanilla, Carroll, Cullen, Ito, McKelvey, Ching, Fontaine and Thielen.

**SCRep. 1031      Transportation on S.B. No. 1416**

The purpose of this bill is to reduce the burden of new car owners in obtaining a certificate of inspection on their vehicle by lengthening the period during which new vehicles are exempted from safety inspections from two years to three years after the date of purchase.

The Department of Customer Services of the City and County of Honolulu and several concerned individuals testified in opposition to this measure. The Department of Transportation (DOT) provided comments.

In general, new vehicles sold in Hawaii are covered under warranties lasting for three years or 36,000 miles. As Hawaii drivers typically amass an average of 10,000 miles per year on their vehicles, their new vehicles are unlikely to experience major mechanical defects during the first three years after their purchase. Thus, the present timeframe for safety inspection of new vehicles appears to be unnecessarily burdensome on the owners.

However, your Committee notes that DOT raised concerns that the current effective date of this measure did not provide sufficient time for safety inspection stickers that are placed on vehicles that would meet this new timeframe to be ordered and sent to safety inspection stations. Accordingly, your Committee has amended this measure by changing its effective date to January 1, 2013.

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. 1416, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1416, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Luke.

**SCRep. 1032      Transportation on S.B. No. 1190**

The purpose of this bill is to protect persons injured in an automobile related incident by requiring that:

- (1) A reviewer of records of medical treatment for personal injury covered by a motor vehicle insurance policy possess sufficient professional training, credentials, and experience in treating the type of injury at issue to competently evaluate the specific treatment that is the subject of the record review; and
- (2) Documentation of the record review be made available to the injured person upon request.

The Hawaii Association for Justice testified in support of this bill. The Hawaii Chapter American Physical Therapy Association opposed this measure. The Insurance Commissioner of the Department of Commerce and Consumer Affairs provided comments.

Current motor vehicle laws in Hawaii allow insurance companies to ascertain whether medical treatment for individuals injured in motor vehicle incidents is appropriate and reasonable by requiring these individuals to submit to independent medical examinations conducted by mutually agreed upon physicians of the same specialty as the treating physician. However, sometimes motor vehicle insurers substitute record reviews for independent medical examinations in verifying the appropriateness of medical care provided for injuries covered by a motor vehicle insurance policy. This has raised concerns of impartiality and accuracy as record reviewers do not actually examine a patient but merely a patient's medical record and thus are not subject to the statutory requirements that cover independent medical examinations.

Your Committee finds that an accurate review and assessment of a medical record depends on sufficient knowledge of the reviewer, particularly knowledge of treatment protocols for services provided by a medical specialist. This measure provides this safeguard by requiring that a records reviewer possess sufficient clinical and practical expertise to accurately evaluate the medical treatment provided to an injured individual.

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. 1190, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Luke.

**SCRep. 1033      Transportation on S.B. No. 124**

The purpose of this bill is to assist both motor vehicle insurance consumers and motor vehicle insurers by establishing an exemption for insurers to the general prohibition on cancellation or nonrenewal of motor vehicle insurance policies, provided that certain conditions are met, including terms and cost, which are more favorable to the consumer.

The State Insurance Commissioner of the Department of Commerce and Consumer Affairs, State Farm Insurance Companies, and Property Casualty Insurers Association of America testified in support of this bill.

Currently, Hawaii law places several requirements for and prohibitions on the cancellation or nonrenewal of a motor vehicle insurance policy, even in instances where the replacement policy is better for the consumer in terms of cost or benefits. Requiring insurers to cancel or non-renew a current policy whenever the policy is being replaced by a better policy causes confusion among consumers and burdens insurers. Your Committee finds that providing an exemption from some of these statutory provisions limiting policy cancellations and non-renewals is both beneficial to the consumer and insurer.

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. 124, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Luke.

**SCRep. 1034      Water, Land, & Ocean Resources/Agriculture on S.B. No. 142**

The purpose of this bill is to protect Hawaii's water resources by establishing safeguards and mechanisms to preserve and maintain the State's dams and reservoirs. Specifically, this measure:

- (1) Statutorily declares that the Board of Land and Natural Resources (BLNR) shall:
  - (A) Consider dams and reservoirs as important water resources that provide significant benefits to the public; and
  - (B) Acknowledge the need for dams and reservoirs to be consistently maintained and operated in a safe and feasible manner to sustain their roles as important water resources for the State, provided that public safety concerns are addressed;

and
- (2) Clarifies that fees charged by BLNR to cover its costs in administering dam and reservoir safety are to cover a portion of those costs.

The Land Use Research Foundation of Hawaii; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Kauai Coffee Company; Dole Food Company Hawaii; Grove Farm Company, Inc.; and Hawaii Farm Bureau Federation testified in support of this bill. The Department of Land and Natural Resources testified in support of the intent of this measure. The Department of Agriculture provided comments.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 142, 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, Cabanilla and Coffman.

**SCRep. 1035 Water, Land, & Ocean Resources on S.B. No. 655**

The purpose of this bill is to enable counties to track real property ownership, encumbrances, restrictions, uses, and sale prices for the purposes of determining 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 City and County of Honolulu, County of Maui Real Property Tax Division, and the County of Hawaii testified in support of this measure. The Department of Taxation supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 655, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1036 Water, Land, & Ocean Resources on S.B. No. 1549**

The purpose of this bill is to fund repairs at the Ala Wai and Keehi boat harbors by:

- (1) Authorizing the issuance of commercial use permits;
- (2) Establishing a process to impose mooring fees; and
- (3) Directing the Department of Land and Natural Resources (DLNR) to enter into a public-private partnership to lease and develop certain lands at the Ala Wai Boat Harbor.

DLNR and several concerned individuals testified in support of this bill. Numerous concerned individuals 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 S.B. No. 1549, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1037 Water, Land, & Ocean Resources on S.B. No. 1555**

The purpose of this bill is to optimize and maximize use of Hawaii's public lands by:

- (1) Establishing a Public Land Development Corporation (Corporation) to administer an appropriate and culturally-sensitive public-land development program; and
- (2) Providing for the rehabilitation of Ala Wai Small Boat Harbor by, among other things:
  - (A) Allowing the limited issuance of commercial use permits for vessels with assigned moorings in the Ala Wai and Keehi boat harbors;
  - (B) Allowing future moorage fees to be established by appraisal by a State-licensed appraiser approved by the Department of Land and Natural Resources (DLNR); and
  - (C) Directing DLNR to use the request-for-proposals process for the public-private development, management, and operation of areas of Ala Wai Boat Harbor.

A concerned individual supported this bill. Shell Owners Association, Hawaii; Shuto Sales & Management, LLC; and numerous concerned individuals opposed this measure. DLNR, Department of Budget and Finance, Ocean Tourism Coalition, Association of Apartment Owners of the Ilikai, and two concerned individuals offered comments.

After careful consideration, your Committee has amended this bill by, among other things:

- (1) Changing the organization and structure of the Corporation;
- (2) Not requiring the Corporation to include as part of the Hawaii Public Land Optimization Plan strategies to ensure the provision of adequate air and surface transportation services and supporting facilities to assist the visitor industry in meeting the needs of local, national, and international markets;
- (3) Not authorizing the Corporation to exercise its powers through one or more subsidiary corporations;
- (4) Not requiring all public lands optimization projects, public land development plans, and project facility programs developed by the Corporation to be approved by the Board of Land and Natural Resources prior to implementation;
- (5) Renaming "special funds" as "subaccounts";

- (6) Deleting the provision that would have allowed other public agencies to lease, upon request by the Corporation and with the approval of the Governor, state lands under their control and management, if such lands are needed by the Corporation;
- (7) Exempting the Corporation from compliance with otherwise applicable county zoning, subdivision, and permitting requirements;
- (8) Not authorizing the Corporation to acquire non-public lands;
- (9) Appropriating general funds for:
  - (A) The establishment and operation of the Corporation; and
  - (B) Two staff positions: a planner and project development specialist;
- (10) Adding ocean recreation as a permissible use for any lease of state boating facilities;
- (11) Lengthening the maximum term of lease of state boating facilities from 55 to 65 years; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1555, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1555, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1038 Water, Land, & Ocean Resources on S.B. No. 119**

The purpose of this bill is to authorize the Department of Accounting and General Services (DAGS) to sell and lease-back public buildings to the public, excluding title to the land upon which the building or its grounds are situated. This measure also exempts from the Hawaii Public Procurement Code the operation and maintenance of public buildings sold under a lease-back arrangement.

CB Richard Ellis, Inc., supported this bill. DAGS and a concerned individual opposed this measure. The Department of Budget and Finance offered comments.

After careful consideration, your Committee has amended this bill by deleting its contents and inserting the provisions of H.B. No. 1505, H.D. 2, which addresses the State's significant backlog of deferred facility maintenance and promotes new construction projects by establishing public-private partnerships through the State Facility Renovation Partnership Program. Technical, nonsubstantive amendments to the inserted provisions have also been made for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1039 Water, Land, & Ocean Resources on S.B. No. 1215**

The purpose of this bill is to create a task force under the University of Hawaii Kapiolani Community College (KCC) to study the feasibility of transferring specified state land to KCC for the purpose of establishing a legacy center for the 100th/442nd Regimental Combat Team.

The Department of Land and Natural Resources supports the intent of this measure. The 442nd Veterans Club commented on this bill.

Your Committee has amended this bill by:

- (1) Including the Department of Defense and Hawaii National Guard as members of 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 Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1215, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1215, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1040 Human Services on S.B. No. 125**

The purpose of this bill is to establish an employment training and placement program for persons with intellectual and developmental disabilities (Program). Specifically, this bill:



- (1) Requires the Program to be administered by the Department of Human Services (DHS), in cooperation with the Department of Education (DOE) and Department of Health (DOH);
- (2) Specifies the Program's target population as individuals between the ages of 16 and 65, with priority given to transitional youth between the ages of 16 and 22;
- (3) Requires DHS to seek a Medicaid waiver to provide funding for the Program; and
- (4) Appropriates funds to be matched by federal funds.

The Hawaii Disability Rights Center, Lanakila Pacific, and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. DHS and DOH opposed this bill. A concerned individual provided comments.

Your Committee notes concerns raised by DHS and DOH that the program created by this measure may be duplicative of existing programs. Concerns were also raised regarding cost and the effects on Medicaid waivers. DOH recommended that the Center for Disabilities Studies form a task force to identify better collaborative solutions to existing programs that will increase employment and maximize the effectiveness of funding. Nonetheless, your Committee believes this measure should be further explored, particularly given the testimony provided in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2075, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 125, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 125, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1041 Human Services on S.B. No. 126**

The purpose of this bill is to:

- (1) Establish a Medicaid buy-in program for working people with disabilities who do not have employer prepaid or employer-sponsored health care insurance or who earn more than the allowable ceiling to obtain Medicaid coverage; and
- (2) Make an appropriation in an unspecified amount for fiscal year (FY) 2011-2012 and FY 2012-2013 for the employment training and placement program that stipulates that the State's share of funding is to be matched by federal funds.

The Consumer, Family, & Youth Alliance, Mental Health America of Hawaii, Hawaii Disability Rights Center, and several concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent. The Department of Human Services opposed this measure. A concerned individual provided comments.

Your Committee finds that before statutorily authorizing the establishment of a Medicaid buy-in program, the matter should first be studied, assessed, and accordingly revised with input from stakeholders due to prudence and the conservation of limited resources. Accordingly, your Committee has amended this bill by substituting its contents with provisions that allow the establishment of a joint legislative task force on the Medicaid buy-in program for working persons with disabilities. Among other things, the amendments:

- (1) Establish the task force membership;
- (2) Require the task force to submit a report of 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 2012; and
- (3) Changing its effective date to July 1, 2075, 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 S.B. No. 126, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 126, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1042 Human Services on S.B. No. 127**

The purpose of this bill is to appropriate funds to the Department of Human Services (DHS) as a grant for the establishment and operation of a comprehensive deaf center.

Several concerned individuals testified in support of this bill. DHS and a concerned individual provided comments.

Your Committee finds that the grant amount needed for the establishment and operation of a comprehensive deaf center for the initial year is approximately \$400,000 and the operation of the center is approximately \$350,000 for each following year. According to DHS, sending people to centers on the mainland is not cost effective.

Your Committee has amended this bill by changing its effective date to July 1, 2075, 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 S.B. No. 127, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 127, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1043 Energy & Environmental Protection/Housing/Water, Land, & Ocean Resources on S.B. No. 181**

The purpose of this bill is to encourage and facilitate the use of solar renewable energy in Hawaii by requiring that new single-family residential construction incorporates design elements and equipment installation at the time of construction to facilitate the future adoption of photovoltaic systems.

The Department of Business, Economic Development, and Tourism; Blue Planet Foundation; Sierra Club-Hawaii Chapter; Hawaii Solar Energy Association; and numerous concerned individuals testified in support of this bill. The Chamber of Commerce of Hawaii and a concerned individual opposed this measure.

Hawaii is one of the most fossil fuel dependent states in the nation and the continued consumption of conventional petroleum fuel for our energy needs and the price volatility of fossil fuels can negatively impact the environment and economic health of the people of Hawaii. At the same time, Hawaii has among the most abundant renewable energy resources in the world, particularly in the form of solar energy.

Increasing energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

One method of achieving this energy self-sufficiency would be to encourage and facilitate the use of solar renewable energy systems in Hawaii, particularly among single-family homeowners. However, the installation of photovoltaic systems on existing homes can be hindered by design features that were incorporated at the time of initial construction of the homes. This measure will facilitate widespread adoption of photovoltaic systems in the future and optimize future gains from solar technology adoption which will result in reduced energy demand on the grid, reduced greenhouse gas emissions, and reduced dependency on imported fossil fuels by requiring that new single-family residential construction incorporates design elements that would simplify the installation of photovoltaic energy generating systems.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and 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. 181, 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 Carroll, Chong, Har, Herkes and Pine.

**SCRep. 1044 Energy & Environmental Protection on S.B. No. 1295**

The purpose of this bill is to provide the Department of Health (DOH) with additional time and flexibility to adopt rules regarding greenhouse gas (GHG) emissions by extending by six months:

- (1) The deadline for the:
  - (A) Adoption of rules regarding GHG emissions; and
  - (B) Reporting and verification of GHG emissions;
 and
- (2) The date after which the Director of Health may revise the rules and adopt additional rules as necessary.

The Nature Conservancy of Hawaii, Sierra Club-Hawaii Chapter, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this bill. DOH testified in opposition to this measure. The Blue Planet Foundation provided comments.

Act 234, Session Laws of Hawaii 2007, created the GHG Emission Reduction Task Force (Task Force) to develop a plan and strategy to reduce GHG emissions, which DOH would implement through rules and a regulatory program. However, in its final report to the Legislature, the Task Force did not specify a regulatory air pollution control scheme for DOH but recognized the need for DOH to coordinate state efforts with ongoing United States Environmental Protection Agency (EPA) developments. As the EPA is continuing to adopt new regulations with regard to GHG emissions and a regulatory scheme has still not been developed by the State, DOH needs flexibility in adopting the rules governing GHG emissions. This measure attempts to address this issue.

However, your Committee understands that the EPA has still not developed GHG emission regulations and may not do so for a long time thus hindering DOH's ability to develop a GHG emissions regulatory scheme. Thus, it would be prudent to further extend the deadline by which DOH would need to adopt rules regarding GHG emissions. Accordingly, your Committee has amended this bill by:

- (1) Extending the deadline for the adoption of rules regarding GHG emissions by four years from December 31, 2011, to December 31, 2015;
- (2) Extending the date by which the rules adopted by the Director requiring the reporting and verification of GHG emissions and monitoring and enforcement of these rules would become operative by four years from January 1, 2012, to January 1, 2016;
- (3) Reinserting language requiring, rather than allowing, the Director of Health to adopt rules to the extent feasible to achieve the statewide greenhouse gas emissions limit based upon the recommendations and findings of the workplan created by the Task Force; and
- (4) Changing the date after which the Director may revise the rules and adopt additional rules as necessary to January 1, 2016.

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. 1295, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1295, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Chong and Har.

**SCRep. 1045 Consumer Protection & Commerce/Judiciary on S.B. No. 155**

The purpose of this bill is to establish a regulatory system for athletic trainers.

The University of Hawaii, Hawaii Chapter–American Physical Therapy Association, Occupational Therapy Association of Hawaii, Hawaii Association of Athletic Trainers, Hawaii High School Athletic Association ad hoc Sports Medicine Advisory Committee, and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs' Professional and Vocational Licensing Division and Regulated Industries Complaints Office 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. 155, 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 Carroll, B. Oshiro and Thielen.

**SCRep. 1046 Consumer Protection & Commerce/Judiciary on S.B. No. 1279**

The purpose of this bill is to adopt amendments to the Insurance Code to comply with the federal Nonadmitted and Reinsurance Reform Act of 2010 relating to surplus lines insurance and to enable the Insurance Commissioner to enter into a multistate compact to recoup taxes and fees from surplus lines insurers.

The Department of Commerce and Consumer Affairs testified in support of this bill. The National Association of Professional Surplus Lines Offices 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. 1279, 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 Carroll, B. Oshiro and Thielen.

**SCRep. 1047 Judiciary on S.B. No. 52**

The purpose of this bill is to:

- (1) Require persons convicted of a violation of privacy in the first degree to register as sex offenders;
- (2) Allow offenders registered as a result of a conviction for a violation of privacy in the first degree who have substantially complied with registration requirements for ten years, and are not repeat offenders to petition the court for termination of registration requirements; and
- (3) Apply this measure retroactively to any person who is or was:
  - (A) Convicted at any time of a violation of privacy in the first degree; or
  - (B) Charged at any time of a violation of privacy in the first degree, but:
    - (i) Is or was found unfit to proceed against the charges, and is currently released into the community; or
    - (ii) Is or was acquitted due to physical or mental disease, disorder, or defect and is or was released into the community.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and a concerned individual testified in support of this measure. A concerned individual supported this bill with amendments.

Your Committee has amended this measure by including section 712-1202(a), Hawaii Revised Statutes, which relates to the promotion of prostitution in the first degree by knowingly advancing prostitution by compelling a person by force, threat, or intimidation to engage in prostitution, or by profiting from such coercive conduct by another, in those sex offenses for which persons convicted must register as sex offenders.

As affirmed by the record of votes of 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. 52, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 52, 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 Ito.

**SCRep. 1048          Judiciary on S.B. No. 1073**

The purpose of this bill is to improve the ability of low- and moderate-income individuals to obtain civil legal services by increasing the amount of the surcharges on specified court filings for indigent legal fees.

The Hawaii Access to Justice Commission; Hawaii Paralegal Association; Young Lawyer's Division of the Hawaii State Bar Association; Domestic Violence Action Center; the Mediation Center of the Pacific, Inc.; Hawaii Disability Rights Center; Hawaii Justice Foundation; Hawaii Immigrant Justice Center at Legal Aid Society of Hawaii; Japanese American Citizens League; American Civil Liberties Union of Hawaii; Legal Aid Society of Hawaii; Volunteer Legal Services Hawaii; Center on Disability Studies; the Dean of William S. Richardson School of Law; a board member of the Legal Aid Society of Hawaii; and numerous individuals testified in support of this measure. The Collection Law Section of the Hawaii State Bar Association, Hawaii Credit Union League, Hawaii Collection Association, and numerous concerned individuals opposed this bill.

Your Committee finds that there is a need to fund legal services for low- and moderate-income individuals who would not otherwise have access to them. The increases proposed by this measure on the surcharges for indigent legal services are the first since the Act was passed in 1996, as well as the first proposed changes to the filings which are subject to the surcharges. Under the current law, the only district court filings subject to the surcharge are summary possession filings; this bill will make the surcharge applicable to other filings, such as assumpsit cases, which may involve individuals who need legal representation or services provided by the Indigent Legal Assistance Fund. Your Committee acknowledges concerns expressed by several members about the effect of the bill on attorneys and their clients and whether it disproportionately impacts certain sectors while allowing others to avoid contribution to the Fund.

Accordingly, your Committee has amended this bill by:

- (1) Implementing a graduated surcharge to increase over a two year period, so that on January 1, 2012, the surcharge on certain filings in circuit and appellate courts will increase by \$25, and then by an additional \$15 on January 1, 2014, and the surcharge on certain filings in district court will increase by \$15 on January 1, 2012, and an additional \$10 on January 1, 2014;
- (2) Requiring the Hawaii Justice Foundation to review, on a biennial basis, whether the Indigent Legal Assistance Fund is meeting the civil legal needs of indigent persons, and report its findings and recommendations to the Legislature in even-numbered years beginning in 2014;
- (3) Adding a sunset date of January 1, 2017;
- (4) Changing the effective date to January 7, 2059, 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 S.B. No. 1073, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1073, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll and Ito.  
(Representative Marumoto voted no.)

**SCRep. 1049          Housing on S.B. No. 714**

The purpose of this bill is to require planned community associations, condominium property managers, and associations of apartment owners to make association documents available to property owners under reasonable terms and for reasonable costs.

Several concerned individuals testified in support of this bill. The Mililani Town Association, the Concerned Kohala Ranch Property Owners, Hawaiiana Management Company, and several concerned individuals testified in opposition to this measure. The Hawaii Association of REALTORS® and Management Information Consultants submitted comments.

Your Committee has amended this bill by:

- (1) Requiring that planned community associations, condominium property managers, and associations of apartment owners make association documents available to property owners in electronic form through a website maintained by property management companies and associations by deleting reference to this requirement being contingent on website availability; and

- (2) Deleting the provision that excludes association financial statements from being made available on websites maintained by property management companies and associations for examination by members of planned community associations, condominium property regimes, and condominiums.

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. 714, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1050 Hawaiian Affairs on S.B. No. 573**

The purpose of this bill is to improve the effectiveness and efficiency of the Department of Hawaiian Home Lands (DHHL). Specifically, this measure appropriates funds to DHHL that would allow them to effectively assess and track the programmatic needs of applicants on its waitlists to determine the amount of future appropriations the Department needs for various activities including:

- (1) The development of home, agriculture, farm, and ranch lots;
- (2) Making home, agriculture, aquaculture, farm, and ranch loans; and
- (3) Rehabilitation projects that improve the general welfare and condition of native Hawaiians.

DHHL 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 573, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 573, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1051 Hawaiian Affairs on S.B. No. 815**

The purpose of this bill is to strengthen the protections for the natural resources of the Kaho'olawe Island Reserve by authorizing the imposition of seizure and forfeiture penalty provisions for a variety of items and equipment, including vehicles, vessels, and aircraft, used or taken in violation of the laws or rules applicable to the Kaho'olawe Island Reserve.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, Department of the Prosecuting Attorney of the County of Maui, and a concerned individual testified in support of this bill. The Ocean Tourism Coalition provided comments.

While your Committee notes the concerns raised by the Ocean Tourism Coalition that the inadvertent crossing of a commercial tour operation into the waters of the Kaho'olawe Island Reserve could subject the operator to a seizure and forfeiture of their vessel under this measure, the protection of the Kaho'olawe Island Reserve remains of utmost importance and this measure deserves further consideration and 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 S.B. No. 815, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1052 Health/Human Services on S.B. No. 285**

The purpose of this bill is to allow QUEST and Medicaid members to access telehealth services by directing the Department of Human Services (DHS) to allow the use of Kona Community Hospital's mobile health van.

Hawaii Medical Service Association, Kona Community Hospital, and Hawaii Association of Health Plans testified in support of this bill. DHS supported the intent of this measure.

Your Committees find that the current language of the bill may preclude federal matching funds, and may be construed to exclude the coverage of specialty consultations. To address these concerns, your Committees have amended this measure by:

- (1) Expanding the approved operation of an eligible mobile health van program to any qualified provider;
- (2) Removing the language restricting the operation of the mobile health van program to the Kona community; and
- (3) Amending the requirements for access to specialist care via telehealth services to include a referral by an individual's primary care physician, and health plan authorization if necessary.

However, your Committees note that the intent of the Legislature to implement a single mobile health van pilot program in a county with a population of less than 250,000, specifically in the Kona community, is not altered by these amendments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 285, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 285, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 1053      Health on S.B. No. 1300**

The purpose of this bill is to amend the composition of the Hawaii Health Systems Corporation (HHSC) Board of Directors by:

- (1) Making the Director of Health a voting member;
- (2) Adding one more member to represent each of the following: Maui, East Hawaii, West Hawaii, Kauai, and Oahu; and
- (3) Adding a new at-large member appointed by the Governor.

The HHSC Board of Directors and HHSC Oahu Region testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the newly-added members representing Maui, East Hawaii, West Hawaii, Kauai, and Oahu, thereby leaving the region system board representation in its current form;
- (2) Designating the newly-added at-large member as a voting member; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1300, 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 Wooley.

**SCRep. 1054      Health on S.B. No. 797**

The purpose of this bill is to improve patient care throughout the State through the use of health information technology to provide complete, accurate, and searchable health information at the point of diagnosis and care. Specifically, this measure appropriates funds to the Department of Health (DOH) to participate in federal matching grant programs associated with the design or development of health information technologies.

DOH, the Hawaii Substance Abuse Coalition, and The Salvation Army testified in support of this bill. The Department of Human Services testified in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring DOH to submit an annual report to the Legislature detailing DOH's expenditures, proposals, and planning outcomes with respect to the design or development of health information technology systems; and
- (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. 797, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 797, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1055      Judiciary on S.B. No. 34**

The purpose of this bill is to streamline small claims proceedings in tax appeal court by precluding pretrial discovery and limiting the amount of costs and fees awarded to the prevailing party to those paid directly to the court in the course of the action.

The City and County of Honolulu Department of Budget and Fiscal Services, County of Maui, and a concerned individual opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by:

- (1) Incorporating the amendments prepared by City and County of Honolulu Corp Counsel on behalf City and County of Honolulu Department of Budget and Fiscal Services, to allow pretrial discovery upon written approval of the court, and require notice of an

appeal and a copy of the statement to be served on the real property assessment division of the relevant county when that county is a party to the case; and

- (2) Changing the effective date to January 7, 2059, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 34, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Carroll, Ito and Fontaine.

**SCRep. 1056 Human Services on H.R. No. 38**

The purpose of this resolution is to urge the United States to provide additional aide to the State of Hawaii for the provision of various state services migrants from the Compact of Free Association Nations.

Your committee received testimony in support of this measure from the Department of Human Services, Department of Education, Hawaii Catholic Conference, Weinberg Village Waimanalo, Hawaii Helping the Hungry, and two individuals.

Your committee amended this resolution by:

- (1) Updating the services provided by the Department of Human Services to the Compact of Free Association migrants in Hawaii from \$37,116,912 in 2007 to \$52,129,664 in 2010.

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. 38, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 38, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Pine.

**SCRep. 1057 Human Services on H.C.R. No. 44**

The purpose of this concurrent resolution is to urge the United States to provide additional aide to the State of Hawaii for the provision of various state services migrants from the Compact of Free Association Nations.

Your committee received testimony in support of this measure from the Department of Human Services, Department of Education, Hawaii Catholic Conference, Weinberg Village Waimanalo and two individuals.

Your committee amended this concurrent resolution by:

- (1) Updating the services provided by the Department of Human Services to the Compact of Free Association migrants in Hawaii from \$37,116,912 in 2007 to \$52,129,664 in 2010.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 44, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Pine.

**SCRep. 1058 Human Services on H.C.R. No. 5**

The purpose of this concurrent resolution is to request a study to determine whether the aim of the state sex offender registration laws are being met and whether the state sex offender registration laws are being implemented in the way they were intended.

Your committee received a testimony in opposition of this measure. A concerned individual also provided comments.

Your committee amended this concurrent resolution by:

- (1) Replacing the agency conducting the study from the Department of Attorney General to the Legislative Reference Bureau.

Your committee notes that although states are required to collect and release relevant information necessary to protect the public from sexual offenders, no study has been conducted to determine whether the goals and objectives of the state sex offender laws are being met or whether they are being implemented in the way they were intended. Therefore, your committee supports the purpose and intent of 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 concurs with the intent and purpose of H.C.R. No. 5, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 5, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Pine.

**SCRep. 1059 Human Services on H.C.R. No. 46**

The purpose and intent of this concurrent resolution is to urge the State of Hawaii to adopt policies that reduce the harm caused by tobacco.

Your committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, American Heart Association, American Lung Association, American Cancer Association, REAL: Hawaii Youth Movement Exposing the Tobacco Industry, Kauai High School Peer Education, and three individuals.

Hawaii Smokers Alliance and an individual submitted testimony in opposition of this measure. Your committee also takes into consideration comments submitted by a concerned individual.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives C. Lee, Yamane and Pine.

**SCRep. 1060 Higher Education on S.B. No. 238**

The purpose of this bill is to provide the University of Hawaii (UH) with increased financial flexibility by allowing UH to carry over an unspecified percentage of general funds appropriated, with certain exceptions, at the close of a fiscal year.

UH supported this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying that UH may carry over up to five percent of general funds appropriated;
- (2) Specifying that the retention of funds shall not be used as a basis, rather than as the sole basis, for reducing UH's future budget requirements;
- (3) Amending the reporting requirements to include a report to the Director of Finance within 90 days after the close of each fiscal year that identifies the total amount of funds to be carried over, and requiring that a copy of this report be submitted to the Legislature;
- (4) Changing its effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 238, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1061 Higher Education on S.B. No. 243**

The purpose of this bill is to help improve the return rates of Hawaii residents who receive state support to study in certain professional programs that are not provided in the State through the University of Hawaii system by providing the Hawaii Western Interstate Commission for Higher Education (WICHE) with the authority to establish a repayment policy for students who receive support through the WICHE Professional Student Exchange Program (PSEP). This bill also more clearly delineates the Hawaii WICHE, and establishes a special fund to facilitate the repayment program.

The WICHE Commissioners supported the intent 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. 243, 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 Chang, Hanohano, Wooley and Ching.

**SCRep. 1062 Higher Education on S.B. No. 244**

The purpose of this bill is to help increase the University of Hawaii's (UH) accountability for meeting the educational needs of the State by requiring UH to periodically review state needs related to higher education outcomes and indicators and monitor and report biennially on its progress toward achieving the outcomes.

UH supported this bill.

Your Committee has amended this bill by requiring:



- (1) The University of Hawaii Board of Regents (Board) to periodically review and recommend amendments to the priority guidelines for quality education under the Hawaii State Planning Act;
- (2) The Board to develop a functional plan, including strategic goals, outcomes, and performance indicators, to implement state policies for education;
- (3) The functional plan to include the objectives required under the previously-defined benchmarks;
- (4) The Board to apply the functional plan in the development of their budget request to the Legislature; and
- (5) UH to submit a biennium report on the functional plan in the second year of each fiscal biennium.

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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 244, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1063 Higher Education on S.B. No. 675**

The purpose of this bill is to repeal state authorization for a not-for-profit corporation to function as a secondary market student loan purchaser in Hawaii, in accordance with federal regulations passed in 2010 that terminated new student loan originations by private entities.

USA Funds, SMS Hawaii, and several concerned individuals supported this bill. American Savings Bank supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 675, 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 Chang, Hanohano, Wooley and Ching.

**SCRep. 1064 Higher Education on S.B. No. 809**

The purpose of this measure is to provide the University of Hawaii (UH) with the flexibility necessary to obtain additional funding to continue to improve and maintain its facilities by authorizing UH to issue an unspecified amount in revenue bonds.

UH supported this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, 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 Chang, Hanohano, Wooley and Ching.

**SCRep. 1065 Higher Education on S.B. No. 814**

The purpose of this bill is to provide increased efficiency in the use and management of University of Hawaii (UH) funds by reclassifying or repealing certain UH special, revolving, and trust funds.

UH supported this bill.

Your Committee has amended this bill by:

- (1) Repealing, rather than amending, the Conference Center Revolving Fund;
- (2) Directing the unencumbered balances of the Conference Center Revolving Fund to the UH Commercial Enterprises Revolving Fund, rather than the UH Auxiliary Enterprises Special Fund;
- (3) Specifying that any unencumbered balances remaining in repealed funds, other than the UH Housing Assistance Revolving Fund, will be transferred to the credit of the general fund;
- (4) Changing its effective date to July 1, 2030, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 814, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 814, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1066 Higher Education on S.B. No. 1331**

The purpose of this bill is to provide increased transparency with respect to special and revolving funds of the University of Hawaii (UH) by requiring UH to report projected cash flow and related estimates for those funds where unencumbered cash balances or cash deficits exceed an unspecified percentage of the previous fiscal year's expenditures.

This measure also appropriates an unspecified amount for the completion and implementation of the Kualii financial system.

UH supported this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation for the Kualii financial system; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1331, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1067 Higher Education on S.B. No. 1386**

The purpose of this bill is to help increase the efficiency of the University of Hawaii Board of Regents by requiring the election of up to two vice-chairpersons, in addition to the chairperson, at a meeting preceding July 1.

The University of Hawaii Board of Regents supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Including additional housekeeping amendments to repeal provisions concerning the Board of Regents Candidate Advisory Council which are now moot; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1386, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1386, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1068 Economic Revitalization & Business on S.B. No. 165**

The purpose of this bill is to promote the continued development of aerospace-related industries in the State by:

- (1) Extending the sunset date of the Hawaii Starlight Reserve Advisory Committee (Starlight Committee) from June 30, 2011, to June 30, 2013; and
- (2) Appropriating funds for the Office of Aerospace Development to carry out its duties to identify and promote opportunities for expanding and diversifying aerospace-related industries in the State.

The Department of Transportation, University of Hawaii at Hilo, Hawaii Aerospace Advisory Committee, The Aerospace States Association, Enterprise Honolulu, Hawaii Academy of Science, Starlight Committee, Mars Institute, Real World Design Challenge, Onizuka Space Center, Pacific International Space Alliance, Pacific Aviation Museum Pearl Harbor, Pacific International Space Center for Exploration Systems, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill. A concerned individual opposed this measure.

Your Committee notes in particular the close ties and relationships that have been formed within the field of aerospace between our state and other countries such as Japan. The investments made in this measure will not only help to diversify our economy and stimulate economic growth, but may also provide enhanced benefits for Japan, during these times of economic hardship experienced by Japan and our State as a result of the devastating earthquake and tsunami of March 11, 2011.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2012, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 165, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 165, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1069 Economic Revitalization & Business on S.B. No. 757**

The purpose of this bill is to assist Hawaii's small business concerns by:

- (1) Reestablishing the Hawaii capital loan revolving fund, with principal and interest payments made on any outstanding loans to be directed into the fund to lower or eliminate the need for future general fund appropriations;
- (2) Authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to contract with any financial institution for services, including servicing or administering loans; and
- (3) Appropriating moneys to the Hawaii capital loan revolving fund for operations of the Hawaii Capital Loan Program.

The Chamber of Commerce of Hawaii and a concerned individual testified in support of this bill. DBEDT testified in support of the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 757, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1070 Economic Revitalization & Business on S.B. No. 112**

The purpose of this bill is to enhance Hawaii's visitor industry by appropriating funds for the Department of Business, Economic Development, and Tourism (DBEDT) to apply for a spaceport license from the Federal Aviation Administration.

Hawaii Academy of Science, Pacific International Space Center for Exploration Systems, Enterprise Honolulu, The Aerospace States Association, Hawaii State Aerospace Advisory Committee, Mars Institute, Real World Design Challenge, Onizuka Space Center, and several concerned individuals supported this bill. DBEDT supported the intent of this measure. A concerned individual opposed this bill.

Your Committee has amended this measure by:

- (1) Requiring DBEDT to submit a progress report on the status of the spaceport license application to the Legislature prior to the 2012 Regular Session;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 112, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1071 Economic Revitalization & Business on S.B. No. 758**

The purpose of this bill is to include the small purchase method of procurement within the scope of Hawaii Compliance Express.

The State Procurement Office and The Hawaii Business League supported this bill.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 374, H.D. 1, Regular Session of 2011, which accomplishes the same purpose as the measure referred to your Committee. As amended, this measure differs from the measure as referred to your Committee by:

- (1) Deleting an inaccurate statement in the purpose section;
- (2) Incorporating an effective date of July 1, 2112, to encourage further discussion; and
- (3) Incorporating technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 758, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 758, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1072 Economic Revitalization & Business on S.B. No. 81**

The purpose of this bill is to extend the termination date of the Starlight Reserve Advisory Committee from June 30, 2011, to June 30, 2013.

The Department of Land and Natural Resources, University of Hawai'i System, Department of Transportation, and the Chair of the Hawaii Starlight Reserve Committee testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. A concerned individual opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 81, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 81, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1073 Labor & Public Employment/Public Safety & Military Affairs on S.B. No. 1065**

The purpose of this bill is to:

- (1) Create a new collective bargaining unit, Collective Bargaining Unit (14), to represent state law enforcement officers; and
- (2) Prohibit the Hawaii Labor Relations Board from directing an election in a bargaining unit that has been established for less than an unspecified number of months and is composed of employees who are currently covered by a valid collective bargaining agreement.

The Department of Public Safety; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; several concerned individuals from the Hawaii State Sheriff Division; and several concerned individuals testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1065, 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 Saiki, Souki and Takai.

**SCRep. 1074 Labor & Public Employment on S.B. No. 1040**

The purpose of this bill is to protect the health and safety of workers by increasing the amounts of the civil penalties and criminal fines for violations of the Hawaii Occupational Safety and Health Law (HOSHL).

The Department of Labor and Industrial Relations and ILWU Local 142 testified in support of this bill. The General Contractors Association, Roofing Contractors Association of Hawaii, and King & Neel Inc., opposed this measure.

Hawaii's economy is still recovering from the recent recession. The civil penalties and criminal fines imposed for violations of the HOSHL are paid by businesses and may prove to be a hardship for them, especially small businesses. However, your Committee recognizes that worker safety must remain paramount and notes that the last time the penalties and fines were raised was approximately 18 years ago.

Your Committee has amended this bill by:

- (1) Increasing the civil and criminal fines by ten percent from an unspecified amount;
- (2) Changing its effective date to July 1, 2011; and
- (3) Making technical, nonsubstantive amendments for clarify, 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. 1040, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1040, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1075 Labor & Public Employment on S.B. No. 1078**

The purpose of this bill is to:

- (1) Have the benefits of the Hawaii Employer-Union Health Benefits Trust Fund be subject to negotiation between the public employer and the exclusive representative of a bargaining unit of public employees; and
- (2) With respect to the resolution of disputes and impasses under collective bargaining, make the decision of an arbitration panel final and binding upon the parties on all provisions submitted to the arbitration panel.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the United Public Workers, AFSCME, Local 646, AFL-CIO; and a concerned individual testified in support of this bill. The Department of Budget and Finance testified in opposition to this measure.

Your Committee has amended this bill by making corresponding amendments to Chapter 87A, Hawaii Revised Statutes (HRS), the Hawaii Employer-Union Health Benefits Trust Fund law, to reflect the amendments made to Chapter 89, HRS, the Collective Bargaining in Public Employment law.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1078, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Luke.

**SCRep. 1076      Agriculture on S.B. No. 145**

The purpose of this bill is to authorize the issuance of general obligation bonds in unspecified amounts to provide additional funding needed for the repair and maintenance of certain irrigation systems throughout the State.

The Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and several concerned individuals testified in support of this measure. The Department of Agriculture; Monsanto Company; Hawaii Agriculture Research Center; Syngenta Hawaii; Pioneer Hi-Bred International Kunia Research Center; Halms Enterprise, Inc.; Aloun Farms; and several concerned individuals supported this bill with amendments.

Your Committee has amended this measure by deleting its contents and inserting provisions that:

- (1) Authorize the issuance of general obligation bonds in the amount of:
  - (A) \$9,960,000 for fiscal year 2011-2012; and
  - (B) \$9,900,000 for fiscal year 2012-2013,
 to finance capital improvements for certain irrigation systems throughout the State;
- (2) Specify available federal matching funds for projects that qualify for such funds;
- (3) Extend the date upon which the appropriations will lapse to June 30, 2015; and
- (4) Change 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 145, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1077      Agriculture on S.B. No. 249**

The purpose of this bill is to appropriate funds for the Department of Agriculture (DOA) to acquire, renovate, and furnish a slaughterhouse facility within Campbell Industrial Park.

The Hawaii Farm Bureau Federation supported this bill. DOA and Hawaii Cattlemen's Council, Inc., supported the intent of this measure. Animal Rights Hawaii and several concerned individuals opposed this bill.

Your Committee finds that if the State enters into a public private partnership for the management of the slaughterhouse facility, an audit should be conducted to assess and evaluate the efficiency and effectiveness of the partnership in managing the facility.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$1,600,000;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 249, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1078      Agriculture on S.B. No. 281**

The purpose of this bill is to assist the Department of Agriculture (DOA) in becoming more self-sufficient by, among other things:

- (1) Authorizing the use or rental of DOA's Division of Animal Industry's property or facilities for commercial purposes;
- (2) Establishing an Animal Industry Special Fund (Fund) and specifying the funds to be deposited into the Fund, including moneys received from the use or rental of the property or facilities in paragraph (1) above; and
- (3) Authorizing DOA to use funds in the Fund to, among other things, cover the costs of their resource management and planning programs.

DOA testified in support of this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by changing its effective date from July 1, 2050, 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. 281, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 281, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1079      Agriculture on S.B. No. 1153**

The purpose of this bill is to make loans available to new farmers at affordable rates through the New Farmer Program (Program) by:

- (1) Reducing the Program loan interest rate by an unspecified amount;
- (2) Increasing the Program loan limit to an unspecified amount;
- (3) Reducing the number of credit denials required to qualify for the Program; and
- (4) Appropriating funds for the Program.

The Department of Agriculture, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Setting the Program interest rate for class "F" loans at one and one-half percent below the prime rate or at a rate of six percent, whichever is less;
- (2) Increasing the Program loan limit to \$250,000;
- (3) Removing Future Farmer of America graduates from the definition of "new farmer program" and adding National FFA Organization graduates;
- (4) Reducing the minimum interest rate for agricultural loans made under Chapter 155, Hawaii Revised Statutes, from three percent to one percent; and
- (5) Changing its effective date to July 1, 2030, to promote 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. 1153, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1153, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1080      Transportation/Water, Land, & Ocean Resources on S.B. No. 1247**

The purpose of this bill is to improve the management of the Aloha Tower area, as well as Hawaii's commercial harbors, in light of the elimination of the operating budget of the Aloha Tower Development Corporation (ATDC) by, among other things:

- (1) Establishing the Aloha Tower community development district within the Kakaako community development district;

- (2) Administratively placing the harbors modernization group within the Department of Transportation (DOT) and granting the group jurisdiction over harbors projects for the commercial harbors modernization plan;
- (3) Stipulating the harbors projects to be contained in the commercial harbors modernization plan;
- (4) Establishing the membership of the harbors modernization group, as well as the terms of service of the members, and stipulating that the harbors modernization group shall cease to exist upon completion of the commercial harbors modernization plan;
- (5) Creating the Aloha Tower Fund, to be administered by DOT, into which all moneys, rental fees, charges, and other revenues of DOT derived from the Aloha Tower Marketplace Project shall be deposited; and
- (6) Abolishing ATDC and transferring its zoning and planning jurisdiction to the Hawaii Community Development Authority (HCDA) and all other rights, powers, functions, and duties to the DOT.

The Department of Business, Economic Development, and Tourism testified in support of this bill. HCDA supported the intent of this measure. DOT opposed this bill.

In 1981, it was determined that lands encompassing the Aloha Tower Complex along the Honolulu waterfront were a valuable asset that should be redeveloped, renovated, and improved to better serve the economic, maritime, and recreational needs of the people of Hawaii. To accomplish this task, the ATDC was established. However, recent difficulties faced by the ATDC forced the Legislature to rethink its position regarding its viability and in 2010, the Legislature eliminated ATDC's operating budget.

In light of this, transferring various functions once carried out by ATDC to both DOT and HCDA would improve the overall management of the Aloha Tower Marketplace Complex, improve the overall economic viability of the area, and protect the State's investment and objectives for the Aloha Tower Marketplace complex.

However, your Committees note that, according to DOT, the projects for the commercial harbors modernization plan contained in this measure have already been incorporated into DOT's capital projects budget and will be executed under DOT's programs and operations. DOT also noted that there is a prospective purchaser for the Aloha Tower Marketplace complex.

As such, your Committees have amended this bill by deleting its contents and replacing it with the language contained in H.B. No. 1020, H.D. 1. As amended, this bill addresses concerns raised by DOT regarding, among other things, the jurisdiction of HCDA and the resolution of debt and other financial issues concerning the Aloha Tower Complex by:

- (1) Establishing the Aloha Tower Complex area under the jurisdiction of HCDA;
- (2) Stipulating that DOT shall be responsible for the implementation of the commercial harbors modernization plan;
- (3) Transferring all other rights, powers, functions, duties, and assets, including leases, of the Aloha Tower Development Corporation to HCDA;
- (4) Transferring the Aloha Tower Fund to HCDA; and
- (5) Appropriating funds out of the Aloha Tower Fund for the operating expenses of the Aloha Tower Complex.

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 S.B. No. 1247, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Carroll, Cullen, M. Lee, Takumi and Thielen.

**SCRep. 1081 Energy & Environmental Protection on S.B. No. 725**

The purpose of this measure is to apply the solid waste management surcharge to all solid waste disposal facilities that receive solid waste for ultimate disposal through landfilling, incineration, or through a waste-to-energy facility, regardless of whether the waste is disposed of in-state or transferred out-of-state.

Your Committee received testimony in support of this measure from the Department of Health and one individual. Your Committee received testimony in opposition to this measure from the General Contractors Association; Honua Power, LLC; and PVT Land Company.

Your Committee finds that the field of waste management is changing dynamically, including the shipment of waste to out-of-state facilities and the incineration of waste in-state. This measure will help the Department of Health's solid waste regulatory program maintain current funding levels.

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. 725, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1082 Water, Land, & Ocean Resources on S.B. No. 608**

The purpose of this bill is to:

- (1) Allow the Department of Land and Natural Resources (DLNR) to review and consider the exchange of parcels in Sand Island to leaseholders, taking into account, among other factors:
  - (A) Whether a Sand Island parcel proposed for exchange to DLNR has a present and future value that equals or exceeds that of a Sand Island parcel currently under the control of DLNR;
  - (B) Whether a Sand Island parcel proposed for exchange to DLNR has a tenant that would provide an income stream that equals or exceeds the income stream generated by a tenant of a Sand Island parcel under an existing lease; and
  - (C) Any other considerations that would affect a decision to proceed with the exchange of Sand Island parcels to leaseholders.

and
- (2) Require DLNR to report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012 on its review and consideration of an exchange of Sand Island parcels with leaseholders.

The Office of Hawaiian Affairs; Sand Island Business Association; Commercial Electric, Inc.; JMI Tile & Marble; MRC Inc.; Eagle Construction Co.; Jayar Construction, Inc.; Dorvin D. Leis Co., Inc.; Rolloffs Hawaii; Honolulu Container Sales & Rental; Robert M. Kaya Builders, Inc.; Ikiakia Builders, Inc.; Tomco Corp.; S and M Welding Co., Inc.; Wong's Meat Market; Imua Sales & Service Inc.; Projects Plus Inc.; Walter Y. Arakaki General Contractor, Inc.; Lui Holding Company, Inc.; Mitsunaga Construction, Incorporated; and Tajiri Lumber, Ltd., opposed this bill. DLNR offered comments.

After careful consideration, your Committee has amended this bill by:

- (1) Authorizing DLNR to consider selling, in addition to exchanging, the Sand Island parcels to the leaseholders;
- (2) Requiring DLNR to review and consider, among other criteria, alternative sources of revenue to replace the lease revenues; and
- (3) Changing the effective date to January 1, 3000, to encourage further discussion.

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. 608, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 608, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1083 Human Services on S.B. No. 217**

The purpose of this bill is to expand the ability of sex abuse victims to seek civil claims and compensation for damages by, among other things:

- (1) Allowing an action for recovery of damages based on physical, psychological, or other injury or condition suffered by a minor arising from the sexual abuse of the minor by an adult to commence at any time following the commission of the act or acts that constituted sexual abuse;
- (2) Permitting victims of child sexual abuse that occurred in Hawaii who have been barred from filing suit against their abusers by virtue of the expiration of the former civil statute of limitations to file those claims in the circuit courts within two years of the effective date of this bill;
- (3) Authorizing damages to be awarded against a legal entity if the person committing the act of sexual abuse against the minor was employed by a legal entity that owed a duty of care to the victim, or the accused and the minor were engaged in an activity over which the legal entity had some degree of responsibility or control; and
- (4) Allowing a person against whom a suit is filed to recover attorney's fees where the court determines that a false accusation was made with no basis in fact and with malicious intent.

The Sex Abuse Treatment Center and several concerned individuals supported this bill. The Department of the Attorney General (AG) and Hawaii Catholic Conference opposed this measure.

Your Committee acknowledges that testimony from the Hawaii Catholic Conference points out that this bill could cause problems for all types of public and private programs and nonprofit organizations. Since this bill would allow the assertion of claims to go back many years, institutions might have to defend themselves in situations where the abuser and anyone who may have been at fault for negligently overseeing or supervising the abuser are no longer a part of the institution.

Moreover, due to the lack of a statute of limitations, the State could be exposed to numerous claims for potential sex crimes or sexual abuse committed by employees in public schools or other government programs. Private institutions could also face such litigation. Nonprofit organizations' ability to remain open and provide services could be affected, since the cost of defending against claims brought under this bill could strain nonprofit organizations' budgets, especially during economically challenging times.



The AG also expressed concerns that the lack of any statute of limitations for a civil action is troubling and unprecedented in Hawaii. Instead, extending the statute of limitations to a longer, reasonable length of time would be preferable.

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

- (1) Requiring the time for commencement of the action for recovery of damages to be within eight years of the date the plaintiff attains the age of majority or within three years of the date the plaintiff discovers or reasonably should have discovered that psychological injury or illness occurring after the age of majority was caused by the sexual abuse;
- (2) Allowing victims of sexual abuse that occurred in Hawaii who were previously barred by the running of the statute of limitations to file civil actions within two years of the effective date of this bill against the natural person who committed sexual abuse or a public or private legal entity, except for the State, under certain conditions;
- (3) In civil actions under paragraphs (1) and (2), requiring a certificate of merit to:
  - (A) Be filed by the attorney for the plaintiff;
  - (B) Contain a notarized statement by a licensed psychologist, marriage and family therapist, mental health counselor, or clinical social worker who is knowledgeable in the relevant facts and issues involved in the particular civil action; and
  - (C) State facts and opinions that the licensed psychologist, marriage and family therapist, mental health counselor, or clinical social worker has relied on to conclude that there is a reasonable basis to believe that the plaintiff has been subject to one or more acts that would constitute an offense;

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. 217, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 217, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 1084      Human Services on S.B. No. 1108**

The purpose of this bill is to assist low- and moderate-income earning families with asset-building by, among other things:

- (1) Including one motor vehicle purchase for school or work transportation as a qualified expenditure for individual development accounts;
- (2) Changing the income requirement of the household of the individual development account holder from not exceeding 80 percent of the area household median income to not exceeding an amount determined by the Department of Human Services (DHS);
- (3) Requiring DHS to:
  - (A) Contract with fiduciary organizations that serve as an intermediary between individual development account holders and financial institutions holding accounts; and
  - (B) Identify and make use of available federal moneys wherever appropriate;
- (4) Allowing an applicant to apply for funding an individual development account project during future fiscal years if there are insufficient resources to fund an individual development account project instead of for five project years if the State lacks the resources;
- (5) No longer requiring:
  - (A) The State to make a grant to the qualified entity or collaboration of entities authorized to conduct the project on the first day of the project year in an amount not to exceed \$100,000 per year for five years, for each individual development account program;
  - (B) The State to match an amount of up to \$100,000 per calendar year for individual development accounts; and
  - (C) That not more than 2:1 match of state funds to account holder deposits to be deposited into any individual development account in a given year;
- (6) Requiring the State to match a specific match ratio for qualified expenditures of an individual development account as determined by DHS;
- (7) Including motor vehicles as items required to be annually reported by each individual development account program;

- (8) Requiring the fiduciary organization to submit an annual report to DHS with contents to be determined by DHS, instead of submitting its findings and recommendations to the Legislature no later than 20 days prior to the convening of each regular session;
- (9) No longer allowing selected fiduciary organizations to use no more than ten percent of state funds as appropriated to cover administrative costs in any given year; and
- (10) Appropriating an unspecified amount from the general fund for fiscal year (FY) 2011-2012 and FY 2012-2013 for fiduciary organizations to operate individual development account programs.

The Hawaii Alliance for Community Based Economic Development and Helping Hands Hawaii testified in support of this bill. A concerned individual opposed this measure. The Department of Human Services provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2075, 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 S.B. No. 1108, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1108, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 1085      Public Safety & Military Affairs on S.B. No. 1025**

The purpose of this measure is to protect fire and rescue workers who may encounter physical violence in the performance of their duties, by expanding the offenses of assault against a law enforcement officer in the first and second degree to include assaults against firefighters and water safety officers. This measure also defines "water safety officer."

The State Fire Council, the Honolulu Fire Department, Kauai Fire Department, County of Maui Department of Fire and Public Safety, Hawaii Fire Fighters Association, the Hawaii State Association of Counties, the City and County of Honolulu Department of the Prosecuting Attorney, a Councilmember from the County of Maui, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1025, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1086      Public Safety & Military Affairs on S.B. No. 883**

The purpose of this bill is to show appreciation for the military and its family members by designating a new special design Gold Star Family license plate for children, parents, grandparents, spouses, and siblings of fallen soldiers.

The Office of Veterans' Services, City and County of Honolulu Department of Customer Services, The Oahu Veterans Council, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to upon approval; and
- (2) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 883, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1087      Public Safety & Military Affairs on S.B. No. 1484**

The purpose of this bill is to exempt from the insurance laws for fraternal benefit societies, associations:

- (1) That were organized before 1880;
- (2) Whose members are active, retired, or honorably discharged members of the United States Armed Forces or Sea Services; and
- (3) That provide insurance and other benefits to their members and their dependents or beneficiaries.

The Navy Mutual Aid Association supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this bill.

Your Committee has amended this bill by including sea services of the United States in the association's membership.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1484, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1484, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1088      Public Safety & Military Affairs on S.B. No. 44**

The purpose of this bill is to better evaluate programs involving the rehabilitation and reentry of inmates into society and other relevant issues relating to correctional facilities, by requiring the Department of Public Safety (PSD) to develop performance indicators, including specified statistics, that accurately reflect progress toward specific goals, including:

- (1) Reducing the rate of recidivism;
- (2) Decreasing prisoner assaults on correctional staff;
- (3) Reducing correctional staff turnover; and
- (4) Improving departmental efficiencies in staffing, budgeting and data management and analysis.

This measure also consolidates into one annual corrections and program report, the reporting requirements imposed by several Acts upon PSD.

PSD, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1089      Public Safety & Military Affairs on S.B. No. 1067**

The purpose of this bill is to facilitate the provision of more effective and specific treatment to offenders on probation by:

- (1) Clarifying that certain adult probation records may be released to mental health service providers who are nationally accredited or licensed by the State for the purpose of therapy or rehabilitation; and
- (2) Establishing procedures to protect against improper divulging of this confidential information.

The Hawaii Substance Abuse Coalition, The Salvation Army, and Aloha House, Inc., supported this bill. The Judiciary supported the intent of this measure. The Office of the Public Defender opposed this bill. The Department of Health offered comments.

Your Committee has amended this bill by:

- (1) Removing proposed language that limited the release of information to only "licensed" providers so the Judiciary may also send risk information to case managers and assessors;
- (2) Removing proposed consent language regarding persons or entities doing research; and
- (3) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1067, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1067, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1090      Public Safety & Military Affairs on S.B. No. 49**

The purpose of this bill is to provide a communication link between what happens in a correctional facility and policy makers by requiring the Director of Public Safety to report any death of a correctional facility employee or inmate to the Senate President, Speaker of the House of Representatives, and legislative committee chairs having primary responsibility for public safety issues.

This measure applies specifically to deaths that occur:

- (1) At a correctional facility; or
- (2) From an injury sustained at a correctional facility.

The Office of Hawaiian Affairs, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, a Maui County Councilmember, and several concerned individuals supported this bill. The Department of Public Safety opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to promote further discussion; and
- (2) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 49, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 49, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1091 Public Safety & Military Affairs on S.B. No. 48**

The purpose of this bill is to support the overall welfare of Hawaii inmates by:

- (1) Establishing criteria that must be considered in deciding whether to transfer inmates to mainland prisons or between Hawaii correctional facilities; and
- (2) Prohibiting the transfer of Hawaii inmates to the mainland with 12 months or less to serve before being eligible to be paroled.

The Office of Hawaiian Affairs, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, The Drug Policy Forum of Hawaii, a County of Maui Councilmember, and several concerned individuals supported this bill. The Department of Public Safety opposed this bill.

Your Committee has amended this bill by:

- (1) Prohibiting inmates with serious medical or mental conditions to be considered for transfer to other Hawaii correctional facilities or out-of-state institutions; and
- (2) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 48, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 48, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1092 Public Safety & Military Affairs on S.B. No. 172**

The purpose of this bill is to promote public safety in regard to fireworks by:

- (1) Requiring the labeling of display fireworks;
- (2) Imposing certain time restrictions on the use of certain fireworks;
- (3) Requiring fireworks licenses to provide certain information to the appropriate county fire chief prior to booking shipment; and
- (4) Authorizing the appropriate county fire chief to:
  - (A) Conduct an inspection of display personnel and sites to determine compliance with the appropriate county code and current National Fire Protection Safety Standards; and
  - (B) Immediately revoke or suspend any permit for display or aerial devices for specified safety reasons.

The State Fire Council, the Honolulu Fire Department, County of Hawaii Fire Department, County of Kauai Fire Department, County of Maui Department of Fire and Public Safety, and the City and County of Honolulu Department of the Prosecuting Attorney supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Exempting from the time restrictions, fireworks that are used solely as part of a motion picture film or television program production that has been issued a film permit by the Department of Business, Economic Development, and Tourism; and
- (2) 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 172, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1093      Public Safety & Military Affairs on S.B. No. 1358**

The purpose of this bill is to, among other things, require the Department of Public Safety (DPS) to formulate a plan to reopen the Kulani Correctional Facility, including a process to transfer back to the facility the inmates that were transferred out when the facility closed in 2009.

DPS, the County of Hawaii Office of the Mayor, United Public Workers, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, The Drug Policy Action Group, the National Association of Reformed Criminals, and several concerned individuals supported this bill. The State Department of Defense offered comments.

Your Committee has amended this bill by:

- (1) Urging DPS to assist the State Department of Defense in identifying alternative sites for the Kulani Youth Challenge Academy, which is a successful residential program designed for at-risk/non-traditional students;
- (2) With respect to former employees of the Kulani Correctional Facility who, due to the closing of the facility, were transferred to another PSD facility or terminated from employment, requesting PSD to consider transferring these employees back to the Kulani Correctional Facility or reinstating the employment of these former employees at the Kulani Correctional Facility; and
- (3) Making technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1358, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1358, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1094      Public Safety & Military Affairs on S.B. No. 1357**

The purpose of this bill is to help Hawaii inmates housed in mainland prisons successfully transition back to Hawaii by requiring the Department of Public Safety (PSD) to develop a master plan for their return that includes, among other things, increasing prison space and intervention and rehabilitation programs.

The Drug Policy Forum of Hawaii, The Drug Policy Action Group, The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, United Public Workers, AFSCME, Local 646, AFL-CIO, and several concerned individuals supported this bill. PSD supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Adding that the master plan should consider the planning, designing, and construction of new facilities in Hawaii; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1357, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1095      Public Safety & Military Affairs on S.B. No. 782**

The purpose of this bill is to promote public safety by:

- (1) Prohibiting any person from possessing, constructing, setting off, igniting, discharging, or exploding any homemade explosive device that is capable of instantaneously releasing a sufficient amount of energy to inflict substantial damage to persons or property; and
- (2) Establishing a violation of this prohibition as a class C felony.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1096      Public Safety & Military Affairs on S.B. No. 173**

The purpose of this bill is to prevent children from playing with novelty lighters and causing fires by prohibiting the retail sale and distribution of novelty lighters within the State.

The State Fire Council, Honolulu Fire Department, County of Hawaii Fire Department, Kauai Fire Department, and Maui Fire Department supported this bill. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting from the definition of "novelty lighter":
  - (A) "Or lighter" as a substitute reference to "novelty lighter"; and
  - (B) The expressed exclusion of any lighter manufactured prior to 1980 or any lighter that lacks fuel or a component necessary to produce flame or combustion;

and
- (2) Allowing for novelty lighters manufactured in the State exclusively for sale, offer for sale, or distribution outside the State; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 173, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 173, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1097      Public Safety & Military Affairs on S.B. No. 11**

The purpose of this bill is to plan for a potential separation of the Department of Public Safety (PSD) and the Sheriff Division by:

- (1) Establishing a task force to initiate the planning process for the creation of a new Department of the Sheriff that would assume the duties and functions of the Sheriff Division of PSD; and
- (2) Requiring the task force to report its findings and recommendations, including cost estimates to establish the new Department of the Sheriff to the Legislature.

PSD, Hawaii Government Employees Association; AFSCME Local 152, AFL-CIO; and many concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Requiring the task force to:
  - (A) Determine whether PSD is capable of supporting and maintaining the function of the Sheriff Division;
  - (B) Study the feasibility and essential need to create a new Department of the Sheriff that would assume the duties and functions of the Sheriff Division of PSD; and
  - (C) Create a plan for the establishment of a new department only if the task force determines that the new department is feasible, essential; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the task force should look at the possibility of creating a Sheriff Commission that would oversee issues related to the sheriffs. The Honolulu Police Commission could be a model to follow, particularly as it pertains to the key role of hiring the head of the Sheriff Division, and having the hiring process removed from political influence. In addition, it was strongly recommended that the task force's report include cost estimates to establish the new department.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1098      Judiciary on S.B. No. 1069**

The purpose of this bill is to prevent individuals from participating in dogfighting by creating more comprehensive penalties, including:

- (1) Establishing the offenses of cruelty to animals by fighting dogs in the first and second degree, which penalizes direct participation in holding dogfights or owning, training, or selling dogs for such purposes as a class B felony, and punishes spectators and indirect participation as a class C felony; and
- (2) Adding cruelty to animals by fighting dogs to those offenses for which a duly incorporated humane society may impound or force forfeiture of a dog.

The City and County of Honolulu Department of the Prosecuting Attorney, The Humane Society of the United States in Hawaii, Hawaiian Humane Society, Hawaii Island Humane Society, West Hawaii Humane Society, and numerous concerned individuals testified in support of this measure. The Office of the Public Defender opposed this bill.

Your Committee has amended this measure by:

- (1) Defining bait dog;
- (2) Substituting the word "objects" for the words "tool, machine, paraphernalia, and equipment" in the definition of device;
- (3) Deleting dog breeding from the offense of cruelty to animals by fighting dogs in the first degree;
- (4) Changing the effective date to July 1, 2011; 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. 1069, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Ito.

**SCRep. 1099 Human Services on H.R. No. 54**

The purpose for this resolution is to request the Judiciary to establish a training program for Family Court judges and guardians ad litem to better comprehend domestic violence.

An individual submitted testimony in support of this measure.

You committee amended this concurrent resolution by:

- (1) Changing the title to "Requesting the Judiciary to continue to develop and implement a training program for Family Court judges and guardian ad litem to better recognize and understand domestic violence;" and
- (2) Deleting the third paragraph in page 2 which states "Whereas, the Legislature is concerned that Family Court judges may not be correctly applying or enforcing section 571-46 (a) (9)-(14), Hawaii Revised Statutes, to the detriment of domestic violence survivors and their children, and ultimately punishing survivors and their children for successfully escaping abusive homes."

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 54, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 54, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 1100 Human Services on H.C.R. No. 61**

The purpose for this concurrent resolution is to request the Judiciary to establish a training program for Family Court judges and guardians ad litem to better comprehend domestic violence.

An individual submitted testimony in support of this measure and the Judiciary testified in opposition.

Your committee amended this concurrent resolution by:

- (1) Changing the title to "Requesting the Judiciary to continue to develop and implement a training program for Family Court judges and guardian ad litem to better recognize and understand domestic violence;" and
- (2) Deleting the third paragraph in page 2 which states "Whereas, the Legislature is concerned that Family Court judges may not be correctly applying or enforcing section 571-46 (a) (9)-(14), Hawaii Revised Statutes, to the detriment of domestic violence survivors and their children, and ultimately punishing survivors and their children for successfully escaping abusive homes."

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, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 61, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 1101      Transportation/Water, Land, & Ocean Resources on H.R. No. 95**

The purpose of this resolution is to request that the Department of Transportation, in consultation with the Board of Land and Natural Resources, conduct a study on:

- (1) Reducing the utility and sewer load by repairing an artery to allow traditional water flow to the Kalauha'iha'i Fishpond and Maunalua Bay;
- (2) Reducing the damage to the utilities, sewer, and Kalaniana'ole Highway by returning the traditional water flow to the Kalauha'iha'i Fishpond and Maunalua Bay.

The Kuli'ou'ou Kalani Iki Neighborhood Board #2, Maunalua Fishpond Heritage Center, Livable Hawaii Kai Hui, Pacific Ocean Producers, Hawaii Nearshore Fishermen, Maunalua Hawaiian Civic Club and several concerned individuals testified in support of this resolution. The DOT supported the intent and provided comments.

In the early 1990s, the State's widening of Kalaniana'ole Highway ruptured the lava tube connecting Kalauha'iha'i Fishpond to the underground artesian source and altered spring flow to the ocean, eventually causing the death of the pond's inhabitants. In 2009 the City and County of Honolulu published a Draft Environmental Assessment that showed a sewer segment was infiltrated by one million gallons of groundwater daily. The City's sewer rehabilitation of Kalaniana'ole Highway has only slightly reduced the infiltration, and the water has found new pathways to infiltrate the sewer near Paiko Drive.

Not wanting to stall the process due to funding requirements for a study and because of the State's current financial crisis, your committees have amended this resolution by removing the mandatory requirement for a study and asking the DOT and DLNR instead for their support.

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

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 95, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 95, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Carroll, Cullen, M. Lee, Takumi and Thielen.

**SCRep. 1102      Transportation/Water, Land, & Ocean Resources on H.C.R. No. 104**

The purpose of this concurrent resolution is to request that the Department of Transportation, in consultation with the Board of Land and Natural Resources, conduct a study on:

- (1) Reducing the utility and sewer load by repairing an artery to allow traditional water flow to the Kalauha'iha'i Fishpond and Maunalua Bay;
- (2) Reducing the damage to the utilities, sewer, and Kalaniana'ole Highway by returning the traditional water flow to the Kalauha'iha'i Fishpond and Maunalua Bay.

The Kuli'ou'ou Kalani Iki Neighborhood Board #2, Maunalua Fishpond Heritage Center, Livable Hawaii Kai Hui, Pacific Ocean Producers, Hawaii Nearshore Fishermen, Maunalua Hawaiian Civic Club and several concerned individuals testified in support of this resolution. The DOT supported the intent and provided comments.

In the early 1990s, the State's widening of Kalaniana'ole Highway ruptured the lava tube connecting Kalauha'iha'i Fishpond to the underground artesian source directly mauka of the pond that altered spring flow to the ocean, diverted the water to utility line trenches and the sewer, eventually causing the death of the pond's inhabitants. In 2009 the City and County of Honolulu published a Draft Environmental Assessment that showed a sewer segment was infiltrated by one million gallons of groundwater daily. The City's sewer rehabilitation of Kalaniana'ole Highway has only slightly reduced the infiltration, and the water has found new pathways to infiltrate the sewer near Paiko Drive.

Not wanting to stall the process due to funding requirements for a study and because of the State's current financial crisis, your committees have amended this concurrent resolution by removing the mandatory requirement for a study and asking the DOT and DLNR instead for their support.

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

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 104, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Carroll, Cullen, M. Lee, Takumi and Thielen.

**SCRep. 1103      Education on S.B. No. 289**

The purpose of this bill is to continue to support early child development and parent education in a fiscally responsible manner by:



- (1) Requiring the Families for R.E.A.L. Program to develop a plan:
  - (A) To cover an unspecified percent of its program costs beginning July 1, 2013; and
  - (B) That includes a strategy to transition the Families for R.E.A.L. Program into assuming a larger statewide role;
- (2) Requiring any appropriation for the Families for R.E.A.L. Program to be matched with private funds at an unspecified ratio; and
- (3) Making an appropriation in an unspecified amount for the Families for R.E.A.L. Program.

The Early Learning Council, Hawaii Association for the Education of Young Children, Families for R.E.A.L. Program, and a concerned individual supported this bill. The Department of Education 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. 289, 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 Chang and Hanohano.

**SCRep. 1104 Education on S.B. No. 931**

The purpose of this bill is to help support early childhood development in Hawaii by requiring the Early Learning Council, with the assistance of the Department of Education (DOE), Department of Health, and Department of Human Services (DHS) to perform a fiscal mapping study to identify sources of funding for the early learning system.

DOE, DHS, and the Hawaii Association of Independent Schools supported this bill. The Early Learning Council supported this measure with amendments. The Good Beginnings Alliance 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. 931, 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 Chang and Hanohano.

**SCRep. 1105 Education on S.B. No. 1173**

The purpose of this bill is to continue to support science, technology, engineering, and mathematics education in a fiscally responsible manner by:

- (1) Appropriating an unspecified amount to award a grant for the provision of space education programming services at Barbers Point Elementary School; and
- (2) Requiring Challenger Center Hawaii on the Barbers Point campus to formulate a plan to become financially self-sufficient beginning with fiscal year 2012-2013.

Many concerned individuals supported this bill. Several concerned individuals supported this measure with amendments. A concerned individual supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173, 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 Chang and Hanohano.

**SCRep. 1106 Education on S.B. No. 605**

The purpose of this bill is to more effectively organize the Department of Education (DOE) to increase efficiency and accountability by:

- (1) Restructuring DOE into two major divisions, to include the academic achievement division and the administrative division; and
- (2) Establishing two senior deputy superintendent positions to head each division created by this bill.

DOE supported this bill.

Your Committee has amended this bill by:

- (1) Removing references to the deputy superintendent to more clearly reflect the roles of the two senior deputy superintendents;
- (2) Changing the salary cap for the senior deputy superintendents, assistant superintendents, and complex area superintendents to 90 percent, rather than 80 percent of the superintendent's salary; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1107      Education on S.B. No. 1174**

The purpose of this bill is to continue to work toward addressing the funding and administration of charter schools by:

- (1) Requiring the Charter School Administrative Office to include with the budget and capital improvement projects request, a detailed explanation of the formula used for needs-based facilities funding requests and a funding request breakdown by school;
- (2) Re-establishing the Charter Schools Funding Task Force and requiring the Task Force to develop a needs-based facilities funding formula, process, or both, for charter schools;
- (3) Permitting charter schools to appeal a denial of reauthorization by the Charter School Review Panel to the Board of Education;
- (4) Requiring charter schools and their local school boards to develop internal policies and procedures consistent with ethical standards of conduct;
- (5) Changing the frequency of each charter school's evaluation to every six years from every five years after the initial evaluation; and
- (6) Establishing a task force on charter school governance, accountability, and authority to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of the charter school system.

The Department of Education, Office of Hawaiian Affairs, Kamehameha Schools, Hookakoo Corporation, and Hawaii Charter Schools Network supported this bill. The Hawaii Technology Academy provided comments.

Your Committee has amended this bill by:

- (1) Including as a member on both task forces a representative from the Hawaii Charter Schools Network; and
- (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. 1174, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1174, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Hanohano, Mizuno and Nishimoto.

**SCRep. 1108      Education on S.B. No. 1282**

The purpose of this bill is to prepare for the implementation of newly adopted Common Core State Standards by repealing the administration of norm-referenced testing in English and mathematics for certain grades.

The Department of Education and Hawaii State Teachers Association supported this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying that any public school that wants to continue to administer norm-referenced tests prior to July 1, 2015, may do so in any content area and at the school or complex's own expense; and
- (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. 1282, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1109      Transportation on S.B. No. 1325**

The purpose of this bill is to promote highway safety by clearly defining the type of after-market motorcycle frames that may be registered for, and used on, Hawaii's roads. Specifically, this measure:

- (1) Requires after-market motorcycle frames to be:
  - (A) Manufactured to replace the frame of a motorcycle and certified by the manufacturer as being compliant with all applicable Federal Motor Vehicle Safety Standards (FMVSS); or

- (B) The frame of a homemade motorcycle that was manufactured not-for-profit by a person who built the motorcycle as a hobby;
- (2) Allows the County Director of Finance to register a motorcycle with an after-market frame by using the vehicle identification number that is on the certification label or assigned by the county Director of Finance; and
- (3) Does not allow for the registration of motor vehicles and other devices which are not compliant with FMVSS, with various exceptions, including after-market motorcycle frames.

The Department of Transportation and the City and County of Honolulu Department of Customer Services testified in support of this bill.

Under existing law, motorcycles with after-market frames are among the only vehicles that may be registered even though they are not certified by their manufacturers to be in compliance with all applicable FMVSS as of the date of manufacture. This exception for motorcycles was intended to accommodate hobbyists who modify or build their own motorcycles. However, an unintended consequence of this exception has been that it has allowed motorcycle manufacturers to circumvent the FMVSS and sell uncertified motorcycles for use on public roads. It has also allowed motorcyclists to register and use off-road-only motorcycles on the public roads. While preserving the exception for hobbyists, this measure prohibits the registration of a motorcycle that is not certified by the manufacturer to be in compliance with the FMVSS.

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. 1325, 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 Aquino and Saiki.

**SCRep. 1110      Transportation on S.B. No. 1324**

The purpose of this bill is to maintain one source of revenue stream for the State Highway Fund (Fund) by permanently increasing the rental motor vehicle surcharge tax from \$2 per day to an unspecified amount per day.

The Department of Transportation (DOT) testified in support of this bill. The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual submitted comments.

Act 223, Session Laws of Hawaii 1999, temporarily raised the motor vehicle rental surcharge tax from \$2 to \$3 per day to bolster lagging highway fund revenues during difficult economic times. With the dramatic downturn in both the national and State economies over the last several years, the State Highway Fund continues to dwindle with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. This is due in part to rising fuel costs and decreasing fuel consumption which has resulted in decreased fuel tax revenues. As a result, our land transportation system has failed to address increased transportation demands, with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for the upkeep and improvement of our roadways.

According to DOT, making the change in the surcharge tax from \$2 per day to \$3 per day will generate approximately \$13.4 million in annual revenues for the Fund and loss of this revenue stream will have a serious impact on Hawaii's highways. Your Committee finds that prudent action needs to be taken to maintain State Highway Fund revenue levels and that this matter deserves further consideration.

Accordingly, your Committee has amended this bill by:

- (1) Reinserting the increase in the surcharge tax from \$2 per day to \$3 per day; and
- (2) Changing its effective date from July 1, 2050, to July 1, 2011.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1324, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1324, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1111      Transportation on S.B. No. 1328**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State motor vehicle registration fee by an unspecified amount.

DOT testified in support of this bill. A concerned individual testified in opposition to this measure. The City and County of Honolulu Department of Customer Services (DCS), Disability and Communications Access Board, Hawaii Transportation Association, Tax Foundation of Hawaii, and a concerned individual provided comments.

Currently, DOT estimates the costs of the routine operation and maintenance of Hawaii's Highway System, which consists of over 2,400 lane miles of roadway, to be \$115,000,000 annually. The dramatic downturn in both the national and state economies over the last several years has continued to have a negative impact on State Highway Fund monies with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. The shortfall is due in part to rising fuel costs and decreasing fuel consumption that has resulted in decreased fuel tax revenues. As a

result, our land transportation system has failed to address increased transportation demands with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for even routine maintenance and operation of our roadways, let alone the construction of new and necessary roadways and appurtenances.

Your Committee finds that a \$20 increase in motor vehicle registration fees is projected to generate an additional \$22.9 million in revenues for the State Highway Fund. This will allow DOT to continue providing a safe, efficient, and effective land transportation system for the movement of people and goods that benefit both residents and visitors alike.

Concerns were also raised by DCS that additional time will be needed to upgrade computer programs used for the registration of motor vehicles to address this rate increase.

Accordingly, your Committee has amended this bill by:

- (1) Reinserting language increasing the State motor vehicle registration fee from \$25 to \$45;
- (2) Reinserting language specifying that \$40 of the State motor vehicle registration fee shall be deposited into the State Highway Fund; and
- (3) Changing its effective date to December 1, 2011, to provide DCS with additional time.

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. 1328, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1328, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1112      Transportation on S.B. No. 824**

The purpose of this bill is to assist motor carriers by:

- (1) Prohibiting persons who contract for transportation services with a regulated motor carrier from requiring the motor carrier to indemnify the person and the person's agents, employees, servants, or independent contractors from claims and liabilities for their negligence, intentional acts, or intentional omissions; and
- (2) Requiring insurance companies that provide insurance coverage to motor carriers covering the indemnification of the other party to refund any portion of a motor carrier's premiums applicable to the indemnification for any transportation services contract affected by this measure, thereby providing assurance that motor carriers are not paying for unnecessary insurance coverage.

The Hawaii Transportation Association (HTA) testified in support of this bill. The Hawaii Insurers Council provided comments.

According to HTA, there currently exists a situation in the commercial transportation industry where motor carriers are often required to sign contracts or agreements indemnifying the motor carriers' customers, which are generally facilities where cargo is loaded or unloaded or passengers are picked-up or dropped-off, from claims or liability regardless of fault. In essence, the motor carrier becomes an insurer for the customer because liability has been shifted from the customer to the motor carrier through a contract. This situation appears to be inequitable and this measure attempts to correct this matter.

However, your Committee notes the concerns raised by the Hawaii Insurers Council that the provision of rebates for motor carriers for unused insurance premiums is problematic, confusing, and raises the question of fairness. Accordingly, your Committee has amended this bill by deleting the provision requiring insurance companies that provide insurance coverage to motor carriers covering the indemnification of the other party to refund any portion of a motor carrier's premiums applicable to the indemnification for any transportation services contract affected by this measure.

Your Committee has also amended this measure by:

- (1) Changing its effective date from July 1, 2010, 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 824, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 824, 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 Aquino and Saiki.

**SCRep. 1113      Water, Land, & Ocean Resources on S.B. No. 1154**

The purpose of this bill is to preserve the culturally and historically rich area of South Kona on the island of Hawaii by establishing the South Kona Wilderness Area to be administered by the Department of Land and Natural Resources (DLNR).

A concerned individual testified in support of this bill. DLNR testified in support of the intent of this measure. The Department of the Attorney General and The Resort Group opposed this bill. The Nature Conservancy of Hawaii and Land Use Research Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Providing for a two-year establishment of the South Kona Wilderness Area by inserting a sunset date of June 30, 2013; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1154, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1114 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 1219**

The purpose of this bill is to help protect the sources of freshwater on the island of Lanai by requiring:

- (1) Funding for the Lanaihale Watershed Management Plan (Watershed Plan) be provided solely from private sources; and
- (2) The Department of Land and Natural Resources (DLNR) to control and manage implementation of the Watershed Plan.

Hawaiian Electric Company and Maui Electric Company supported this bill. DLNR opposed this measure.

After careful consideration, your Committees have amended this bill by:

- (1) Allowing funding for the Watershed Plan to come from federal and private sources; 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 Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1219, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1219, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1115 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 1220**

The purpose of this bill is to implement a community-based fishery resource management area program (program) for the island of Lanai by:

- (1) Designating the Lanai community-based fishery resource management area, consisting of all state waters and submerged lands around the island of Lanai; and
- (2) Establishing the Lanai community-based fishery resource management area advisory committee to, among other things:
  - (A) Develop and implement a plan that provides for a management framework for fishery resources;
  - (B) Establish a community-based fishery resource management area system; and
  - (C) Promote the enforcement of fishing and gathering of marine resources according to the program.

The Sierra Club - Hawai'i Chapter testified in support of this bill. Hawaiian Electric Company and Maui Electric Company testified in support of the intent of this bill. The Department of Land and Natural Resources and a concerned individual testified in opposition to this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1220, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1116 Water, Land, & Ocean Resources/Energy & Environmental Protection on S.B. No. 1311**

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to:

- (1) Collect fees to cover the technical assistance program costs associated with assisting landowners in the development, review, and monitoring of habitat conservation plans; and
- (2) Adopt rules for establishing the fees.

Earthjustice and the Hawai'i Forest Industry Association testified in support of this bill. DLNR and the Department of Business, Economic Development, and Tourism testified in support of the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1311, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Chong.

**SCRep. 1117 Water, Land, & Ocean Resources/Agriculture on S.B. No. 1511**

The purpose of this bill is to support the growth of aquaculture in Hawaii by allowing:

- (1) The lengthening of lease terms for aquaculture operations from 35 to 65 years;
- (2) Aquaculture operations in good standing to:
  - (A) Be given the right of first refusal; and
  - (B) Seek a renewal of their leases;
 and
- (3) Aquaculture operations to engage in supportive activities that are related to or integrated with aquaculture.

Hawaii Oceanic Technology, Inc.; East Oahu County Farm Bureau; Hawaii Aquaculture & Aquaponics Association; and a concerned individual supported this bill. The Department of Agriculture (DOA) and Marine AgriFuture, LLC, supported the intent of this measure. The Department of Land and Natural Resources (DLNR), Food & Water Watch, Coalition Against CO2 Dumping Inc., Pono Kai, Keoua Honaunau Canoe Club, KAHEA: The Hawaiian-Environmental Alliance, and numerous concerned individuals opposed this bill. A concerned individual offered comments.

After careful consideration, your Committees have amended this bill by:

- (1) Allowing the Department of Transportation (DOT) to:
  - (A) Designate any unused or underused public lands under its jurisdiction to be used for the purposes of aquaculture; and
  - (B) Enter into agreements with DLNR or DOA to dispose of designated lands for the purposes of aquaculture;
- (2) Allowing DLNR to exercise power granted to it over lands designated by DOT to be used for the purposes of aquaculture; 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 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. 1511, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1511, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla, Carroll, Chong, Coffman, McKelvey and Tokioka.

**SCRep. 1118 Water, Land, & Ocean Resources/Tourism on S.B. No. 1530**

The purpose of this bill is to help maintain and improve hotel and resort infrastructure by authorizing the Board of Land and Natural Resources to extend the lease of public lands for hotel or resort use upon the approval of a proposed development agreement that the lessee or developer will make substantial improvements to the leased premises.

The Department of Land and Natural Resources and Hawaii Tourism Authority supported this bill. The Office of Hawaiian Affairs offered comments.

After careful consideration, your Committees have amended this bill by:

- (1) Removing specific references to the Banyan Drive area in Hilo;
- (2) Deleting the definition of "hotel or resort"; 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 Water, Land, & Ocean Resources and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1530, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1530, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla, Carroll, Chong, Herkes, Ito, McKelvey, Nishimoto and Ching.

**SCRep. 1119 Energy & Environmental Protection/Economic Revitalization & Business on S.B. No. 1363**

The purpose of this bill is to protect Hawaii's environment and address the inherent economic and environmental costs associated with the use of disposable checkout bags. Among other things, this measure:

- (1) Requires businesses in the State to charge and collect a fee for each non-reusable checkout bag provided to a customer and remit a percentage of the fees collected to the Department of Health (DOH) on a monthly basis which shall deposit the fees into the general fund and a special account in the general fund to be used by DOH for administration and enforcement purposes;
- (2) Authorizes businesses to retain a percentage of the fees collected to offset costs;
- (3) Provides penalties for businesses that violate the provisions of the non-reusable checkout bag fee law;
- (4) Allows for county ordinances already in place that regulate plastic or non-reusable checkout bags to remain effective;
- (5) Allows counties to enact ordinances that are more stringent in the regulation of non-reusable checkout bags;
- (6) Allows for the institution of a civil action in any court of competent jurisdiction for injunctive and other relief to correct or abate a violation of the non-reusable checkout bag law or rules adopted in accordance with this law, to collect administrative penalties, or to obtain other relief; and
- (7) Requires DOH to submit a report to the Legislature that contains an assessment of the effectiveness of this measure on reducing the use of non-reusable checkout bags and recommendations, if any, for proposed legislation to further reduce their use.

The Hawaii Food Industry Association, Progressive Democrats of Hawaii, Times Supermarket, The Safeway Companies, Retail Merchants of Hawaii, Sierra Club-Hawaii Chapter, Surfrider Foundation, and numerous concerned individuals testified in support of this bill. DOH and the Conservation Council for Hawaii testified in support of the intent of this measure. The American Chemistry Council testified in opposition to this bill. The Department of Budget and Finance provided comments.

Though disposable checkout bags provide a convenient means of transporting goods for consumers, they are taxing on Hawaii's unique natural environment and ultimately taxing to our economy. Unfortunately, disposable bags can frequently be found littering our roadways and taking up valuable space in overflowing landfills. Disposable plastic checkout bags also contribute greatly to marine debris, often posing a threat to marine life, while forest environments are impacted through the use of trees required to produce disposable paper bags. Reducing the use of disposable checkout bags will address these issues.

However, your Committees note that some concerns were raised with regard to this bill, particularly with the lack of specific fees. Accordingly, your Committees have amended this bill by deleting its contents and replacing it with language contained in H.B. No. 988, H.D. 1. As amended this bill, among other things:

- (1) Requires businesses in the State to charge and collect a 5-cent fee for each single-use checkout bag, including paper bags and packages, provided to a customer and remit the fees collected to DOH on a monthly basis which shall deposit the fees into the State general fund;
- (2) Provides penalties for businesses that violate the provisions of the single-use checkout bag fee law;
- (3) Preempts the ability of a county to regulate the use of disposable checkout bags unless the use of the bags are currently regulated by county ordinance; and
- (4) Provides that, in counties where an ordinance regulating single-use checkout bags is in effect, the single use checkout bag fee shall be applicable only to single-use checkout bags made of paper.

Your Committees have further amended this bill by:

- (1) Allowing a business to retain 20 percent of the fees collected as revenue that shall be subject to income taxes; provided that the fee shall not be subject to the General Excise Tax; 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 Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1363, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1363, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Evans, Har, Ito and Tokioka.

**SCRep. 1120 Energy & Environmental Protection/Economic Revitalization & Business on S.B. No. 772**

The purpose of this bill, as received by your Committee, is to expand renewable energy production in the State by:

- (1) Renaming the "ethanol facility tax credit" to the "biofuel production facility tax credit" and expanding application of the tax credit to include various biofuels;

- (2) Changing the determination of the biofuel production facility tax credit from 30 percent of nameplate capacity to an unspecified monetary amount per gallon of production;
- (3) Requiring qualified facilities to be located within the State and to use locally grown feedstock for at least 75 percent of its production output;
- (4) Changing the amount of certified credits from \$12,000,000 to an unspecified amount;
- (5) Revising the reporting requirement for taxpayers claiming the tax credit to include type of biofuel and percentage of Hawaii-grown feedstock used; and
- (6) Removing the 40,000,000-gallon production cap per year.

Prior to the hearing, your Committees circulated for review and accepted testimony on a Proposed H.D. 1. As amended, the purpose of the Proposed H.D. 1 is to expand renewable energy production in the State by, among other things:

- (1) Changing the name of the Ethanol Facility Tax Credit to the Bioenergy Production Facility Tax Credit (Bioenergy Tax Credit), and clarifying its scope to specifically include electricity generation from agricultural feedstock;
- (2) Changing references to "ethanol facility" and "qualified ethanol production facility" to "bioenergy production facility" and "qualifying bioenergy production facility", respectively;
- (3) Making the Bioenergy Tax Credit applicable from January 1, 2014;
- (4) Making the annual dollar amount of the Bioenergy Tax Credit equal to:
  - (A) Thirty percent of a qualifying biofuel production facility's annual nameplate capacity; or
  - (B) For an electricity generating facility, three cents per kilowatt hour of the facility's annual nameplate capacity if the facility's annual nameplate capacity is greater than 5,000,000 kilowatt hours;
- (5) Prohibiting a taxpayer from claiming the Bioenergy Tax Credit based on both biofuel production capacity and electricity generating capacity for the same facility;
- (6) Defining "agricultural feedstock", "bioenergy", and "biofuel";
- (7) Amending the definitions of "investment" and "nameplate capacity" to account for the inclusion of electricity generation in the Bioenergy Tax Credit;
- (8) Repealing existing provisions establishing a threshold of 40,000,000 gallons in total nameplate capacity per year of ethanol production facilities built in the State, over which no tax credits shall be allowed to be claimed; and
- (9) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to include in its annual report on the Bioenergy Tax Credit the total number of employees employed by each facility, including those employed in agricultural operations, and statistical information regarding biofuel, bioenergy, and electricity production and sales.

Aina Koa Pono and Pacific West Energy LLC testified in support of this bill. Hawaii Renewable Energy Alliance and Hu Honua Bioenergy, LLC, testified in opposition to this measure. The Department of Taxation, DBEDT, Green Energy Team LLC, Hawaii BioEnergy, Hawaii Carpenters Union, Pacific Biodiesel, Inc., and a concerned individual provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation. Expanding the use of biofuels as a viable source of energy is one way in which our dependence on imported fossil fuels can be reduced and the use of biofuels is consistent with the State's goals relating to renewable energy and sustainability. Expanding the current Ethanol Facility Tax Credit to include other bioenergy production facilities and enable these facilities to be eligible for this tax credit will work towards this goal.

As such, your Committees have amended this measure by adopting the contents of the Proposed H.D. 1. Other technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 772, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 772, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Evans, Har, Ito and Tokioka.

**SCRep. 1121 Energy & Environmental Protection/Transportation on S.B. No. 698**

The purpose of this bill is to improve Hawaii's roads, enable more cost-effective recycling of asphalt pavements, and protect Hawaii's environment by allowing, rather than requiring:

- (1) State agencies to purchase roadway materials with a minimum recycled glass content; and



- (2) All highway and road construction projects funded by the State or a county or roadways accepted as public roads to use a minimum of ten percent crushed glass aggregate for all basecourse and subbase applications.

The City and County of Honolulu Department of Design and Construction, Alakona Corp Asphalt Pavement Specialists, Grace Pacific Corporation, Hawaii Asphalt Paving Industry, and a concerned individual testified in support of this bill.

Current law requires State highway officials to purchase roadway materials with minimum recycled glass content for basecourse, subbase, and nonstructural capital improvement applications. Commonly known as the "glassphalt mandate," this action was an attempt to make better use of recycled glass and to be more environmentally friendly. However, the use of "glassphalt" has had negative impacts including reducing the quality of roadways because asphalt does not stick to glass. Furthermore, because glassphalt cannot be used as a surface paving material since it can reduce the skid resistance of a road and make driving hazardous, asphalt recycling efforts have been impacted. This is due to the fact that the process of resurfacing and rebuilding roads results in the comingling of asphalt and glassphalt materials, which are often difficult, if not impossible, to separate. This impairs the paving industry's ability to recycle asphalt pavement, which is one of the most recycled materials in Hawaii. By allowing, rather than requiring, the use of recycled glass in roadway materials, Hawaii's roadways can be improved while still protecting the environment.

Your Committees have amended this bill by changing its effective date from July 1, 2050, to upon its approval.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 698, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 698, 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, Har, Ito, Saiki, Takumi and Thielen.

**SCRep. 1122 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 742**

The purpose of this bill is to allow the State Fire Council to hire a full-time administrator and administrative assistant to help achieve the council's statutory duties and responsibilities, such as amending and adopting the State Fire Code, applying for and administering federal fire-related grants, and implementing and administering a statewide reduced ignition propensity cigarette program, among other duties.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, and Maui Fire Department supported this bill.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 742, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 1123 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 45**

The purpose of this bill is to provide a more effective administrative and operational management of the Sheriff Division by repealing the civil service exemptions for the first and second deputy sheriffs. This bill is also inline with legislation aimed at reducing the number of civil service exempt employees in public service within the State.

The Department of Public Safety, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and several concerned individuals supported this bill.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 45 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1124 Consumer Protection & Commerce on S.B. No. 99**

The purpose of this bill is to ensure that the Public Utilities Commission represents the interests of the entire State by improving the Commission's structure and functioning.

The Consumer Advocate; the Chamber of Commerce of Hawaii; the Maui Chamber of Commerce; the Molokai Chamber of Commerce; the Molokai Chamber of Commerce Foundation; the Hawaii Food Industry Association; Hawaii Farm Bureau Federation; Maui County Farm Bureau; the Kona-Kohala Chamber of Commerce; Young Brothers, Limited; Hawaii Cattlemen's Council; and a concerned individual supported this bill. The Department of Business, Economic Development, and Tourism; and the Blue Planet Foundation opposed this measure. A concerned individual opposed this bill. The Public Utilities Commission 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. 99, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1125 Consumer Protection & Commerce on S.B. No. 1161**

The purpose of this bill is to expedite the deployment of high-speed broadband technology in Hawaii by exempting:

- (1) Certain broadband infrastructure improvements from state and county permitting requirements; and
- (2) A person or entity from any requirement to upgrade or replace existing utility poles when using that pole to install new or improved existing telecommunications cables, under certain conditions.

The Department of Commerce and Consumer Affairs, the Chamber of Commerce of Hawaii, and two telecom supported this bill. The Department of Business, Economic Development, and Tourism; the Department of Land and Natural Resources; the Department of Accounting and General Services; the Office of Environmental Quality Control; and Hawaiian Telecom supported the intent of this measure. The City and County of Honolulu Department of Planning and Permitting opposed this bill. The Hawaiian Electric Company and its subsidiaries, Hawaii Electric Light Company and Maui Electric Company provided comments.

Your Committee amended this bill by:

- (1) Limiting its provisions to rights-of-way and utility easements that are public; and
- (2) Deleting the provision that requires the utility to inform the requesting party if alternative poles or conduits are available that have sufficient capacity to accommodate the telecommunications cable. This responsibility should lie with the requesting party which is in the best position to know what alternate route is in its best interests.

As 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. 1161, 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. 1161, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Ching.

**SCRep. 1126 Consumer Protection & Commerce on S.B. No. 298**

The purpose of this bill is to establish an organizational and regulatory framework for sustainable business corporations, that are corporations that operate in a socially and environmentally sustainable manner. To ensure that corporations given this designation abide by the requirements in the new chapter, this bill provides transparency and accountability for these companies.

Numerous concerned individuals supported this bill. The Chamber of Commerce of Hawaii supported the intent of this bill. The Department of Commerce and Consumer Affairs provided comments.

Your Committee has amended this bill by adding a provision allowing a sustainable business corporation to use of the right to exclude, conferred by any and all patents in which it has an interest in this right through assignment, license, lien, security agreement, or obligation to:

- (1) Create and retain jobs;
- (2) Uphold specific fair labor standards nationally and internationally; and
- (3) Enhance environmental protection nationally and internationally.

Technical, nonsubstantive amendments were also made by your Committee 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. 298, S.D. 3, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 298, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Ching.

**SCRep. 1127 Consumer Protection & Commerce on S.B. No. 1453**

The purpose of this bill is to establish a working group convened by the Healthcare Association of Hawaii, comprising various stakeholders, to consider the issue of prior authorization for prescription medication and make recommendations for legislation.

Ohana Health Plan, the Healthcare Association of Hawaii, AlohaCare, and Hawaii Medical Association supported this bill. The Department of Commerce and Consumer Affairs, the Department of Human Services, and the Hawaii Medical Service 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. 1453, 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 Carroll, McKelvey and Ching.

**SCRep. 1128 Consumer Protection & Commerce/Judiciary on S.B. No. 1233**

The purpose of this bill is to amend Hawaii's charitable solicitation law by, among other things:

- (1) Establishing the Department of the Attorney General (AG) as the default agent for service of process in investigations and other proceedings, when the organization does not have a registered agent with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allowing the AG to issue a cease and desist order to any charitable organization found to be soliciting contributions in violation of the law;
- (3) Clarifying requirements for the filing of annual financial reports and fiscal records and fees; and
- (4) Exempting certain charitable educational institutions from the registration and financial disclosure requirements.

The Hawaii Association of Independent Schools, The Nature Conservancy of Hawaii, the Hawaii Alliance of Nonprofit Organizations, and several individuals supported this measure. The AG and the Council for Advancement and Support of Education supported the bill, suggesting amendments. A concerned individual provided comments.

Your Committees have amended this bill by:

- (1) Reinserting amounts of filing fees for charitable organizations with gross revenues of \$1,000,000 or more;
- (2) Exempting from the registration and financial disclosure requirements, such organizations as educational institution foundations or alumni associations, which are the primary organizations soliciting funds for certain educational institutions; and
- (3) Changing the effective date to upon 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. 1233, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1233, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1129 Consumer Protection & Commerce/Judiciary on S.B. No. 1277**

The purpose of this bill is to more effectively protect consumers of legal services by strengthening the laws governing legal service plans.

Specifically, this bill, among other things:

- (1) Makes legal service plans and their owners, operators, officers, employees, and representatives subject to investigation or examination by the Insurance Commissioner;
- (2) Requires legal services plans to obtain a certificate of authority from the Insurance Commissioner prior to conducting business in the State;
- (3) Specifies that the bond required to be obtained by a legal services plan administrator shall run to the State for the benefit of any claimants against the legal services plan to secure faithful performance of the plan's obligations; and
- (4) Establishes an unspecified fee for a legal service plan certificate of authority and an unspecified annual fee for service.

The Department of Commerce and Consumer Affairs supported this bill with amendments.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1277, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1130 Consumer Protection & Commerce/Judiciary on S.B. No. 1278**

The purpose of this bill is to protect consumers, particularly seniors, from abusive financial service practices by adopting model regulations of the National Association of Insurance Commissioners in conformity with senior investor protection in the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The Department of Commerce and Consumer Affairs and NAIFA Hawaii testified in support of this bill. The American Council of Life Insurers provided comments.

Your Committees have amended this bill by:

- (1) Limiting provisions allowing an insurer to contract for performance of functions by excluding functions that are non-delegable;
- (2) Making provisions related to the prohibition of misleading senior-specific certifications and professional delegations effective upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1278, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1278, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1131      Agriculture on S.B. No. 1079**

The purpose of this bill is to protect farmers and ranchers by:

- (1) Establishing that an owner of agricultural or range land owes no duty of care to keep the land safe for entry or use by a trespasser or to give warning of dangers to a trespasser, except under certain conditions;
- (2) Establishing a rebuttable presumption that an owner of agricultural or range land is not liable to a trespasser for injuries, loss, damage, or death occurring on the land, and specifying conditions for rebuttal of this presumption; and
- (3) Amending the offense of criminal trespass in the second degree as it relates to agricultural lands (trespass offense) by:
  - (A) Repealing existing provisions that apply the trespass offense in cases where the agricultural lands:
    - (i) Are fenced, enclosed, or secured in a manner designed to exclude intruders; or
    - (ii) Meet certain conditions relating to signage;
  - (B) Expanding the trespass offense by applying it to cases where agricultural lands, at the time of entry, are fallow or have evidence of livestock-raising; and
  - (C) Establishing a criminal fine of up to \$10,000 for the trespass offense.

The Hawaii Farm Bureau Federation, Hawaii Forest Industry Association, Land Use Research Foundation of Hawaii, Hawaii Cattlemen's Council, Inc., W.H. Shipman, Ltd., and Dole Food Company Hawaii supported this bill. The Department of Agriculture supported the intent of this measure. The Office of Hawaiian Affairs submitted comments. The Hawaii Association for Justice opposed this bill.

In light of concerns raised during the public hearing and questions relating to the duty of care provisions in this measure, your Committee has amended this bill by:

- (1) In lieu of the existing provisions relating to duty of care and rebuttable presumption:
  - (A) Establishing a rebuttable presumption that an owner of agricultural or range land owes no duty of care toward a trespasser for injury to, property damage, or death of the trespasser that occurs on agricultural or range land or to warn the trespasser of dangerous natural conditions, activities, or uses; provided that the land meets certain conditions relating to fencing and signage.
  - (B) Prohibiting limits on the liability of an agricultural or range land owner whose acts are grossly negligent, in willful or wanton disregard of the safety of a trespasser, or who intentionally causes injury, property damage, or death to a trespasser;
  - (C) Establishing that the duty of care of an owner of range land who allows recreational use of range land is the same as provided in section 520-3, Hawaii Revised Statutes, relating to landowner liability;
  - (D) Revising the definition of "agricultural land" by, among other things, making it apply to lands exceeding five acres;
  - (E) Amending the definition of "range land" to, among other things, include parameters relating to acreage; and
  - (F) Deleting the definitions of "owner" and "land";
- (2) Restoring the provisions that apply the trespass offense in cases where the agricultural lands:
  - (A) Are fenced, enclosed, or secured in a manner designed to exclude intruders; or
  - (B) Meet certain conditions relating to signage;

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1079, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1132      Agriculture/Water, Land, & Ocean Resources on S.B. No. 14**

The purpose of this bill is to enhance public safety and address needed infrastructure improvements by:

- (1) Expanding the authorized uses of the Agricultural Development and Food Security Special Fund (Special Fund) to include dams and reservoirs, and specifying that authorized uses include investigative studies to identify and assess necessary improvements to dams, reservoirs, irrigation systems, and transportation networks; and
- (2) Authorizing the issuance of general obligation bonds and depositing its revenues into the Special Fund for plans, design, construction, and other related costs for dam, reservoir, or irrigation system improvements.

The Hawaii Farm Bureau Federation; Land Use Research Foundation of Hawaii; Dole Food Company Hawaii; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; and Kauai Coffee Company supported this bill. The Department of Agriculture supported the intent of this measure.

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

- (1) Adding water quality testing and improvements to the list of permitted uses for the Special Fund;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 14, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla, Carroll, Chong, Coffman, McKelvey and Tokioka.

**SCRep. 1133      Agriculture/Water, Land, & Ocean Resources on S.B. No. 1393**

The purpose of this bill is to promote aquaculture and infrastructure development by:

- (1) Stipulating that aquacultural enterprises shall have priority of access over leisure crafts and houseboats at all harbors and waterfront improvements belonging to or controlled by the State, except at commercial harbors;
- (2) Stipulating that dams and related reservoir areas designated as important agricultural lands (IALs) shall be eligible for inclusion in the total acreage calculation for IALs and shall qualify for IAL incentives;
- (3) Establishing an income tax credit amounting to a percentage of all costs incurred by a taxpayer as a result of dam or reservoir remediation measures taken as directed by the Department of Land and Natural Resources (DLNR); and
- (4) Establishing an income tax credit amounting to a percentage of the cost of capital investments in aquacultural facilities.

Hawaii Farm Bureau Federation; Grove Farm Company, Inc.; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; and Kauai Coffee Company supported this bill. DLNR and the Department of Taxation opposed this bill. The Department of Agriculture, Office of Planning, and Tax Foundation of Hawaii submitted comments.

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

- (1) Deleting the provisions stipulating that aquacultural enterprises shall have priority of access over leisure crafts and houseboats at all harbors and waterfront improvements belonging to or controlled by the State, except at commercial harbors;
- (2) Limiting the inclusion of dams and related reservoir areas designated as IALs in the total acreage calculation for IALs and for IAL incentives to dams and reservoirs that are located within property designated as IALs and provide irrigation water to agricultural lands the majority of which are IALs;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1393, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1393, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla, Carroll, Chong, Coffman, McKelvey and Tokioka.

**SCRep. 1134      Agriculture/Water, Land, & Ocean Resources on S.B. No. 1559**

The purpose of this bill is to provide incentives for designating land as important agricultural lands (IALs) by:

- (1) Requiring each county agency that issues building or related permits to establish a procedure for priority processing of a permit application submitted by a private entity for a construction project that uses products grown on IALs;
- (2) Requiring county general plans to include certain provisions relating to the designation of IALs;
- (3) Requiring the Public Utilities Commission to establish preferential rates for the purchase of energy that is used or consumed for agricultural activities on IALs; and
- (4) Allowing insurers to provide preferential insurance rates to owners or lessees of IALs.

Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and a concerned individual supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and Hawaii Insurers Council opposed this bill. The Department of Agriculture submitted comments.

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

- (1) Deleting the provisions:
  - (A) Requiring each county agency that issues building or related permits to establish a procedure for priority processing of a permit application submitted by a private entity for a construction project that uses products grown on IALs;
  - (B) Requiring county general plans to include certain provisions relating to the designation of IALs; and
  - (C) Allowing insurers to provide preferential insurance rates to owners or lessees of IALs;
- (2) Amending the existing law requiring priority processing of permit applications and renewals for agricultural processing facilities that process crops or livestock from agribusinesses that meet certain IAL-related requirements by:
  - (A) Amending the definition of "agribusiness" to include businesses primarily engaged in the processing of agricultural products; and
  - (B) Applying the priority processing of permit applications and renewals to cases where all of the crops or livestock processed at the agricultural processing facility is produced on land designated as IALs; provided that this requirement shall apply for at least 20 years following the issuance of a certificate of occupancy for the facility;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1559, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1559, 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 Awana, Cabanilla, Carroll, Chong, Coffman, McKelvey and Tokioka.

**SCRep. 1135      Education on S.B. No. 810**

The purpose of this bill is to foster increased academic achievement among Hawaii's public high school students by requiring the Department of Education (DOE) to establish rigorous high school diploma requirements to prepare students to enter postsecondary education or training programs and obtain, retain, and succeed in a career that offers a living wage and opportunities for advancement.

DOE, the University of Hawaii, and a concerned individual supported this bill. Hawaii P-20 Partnerships for Education 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 S.B. No. 810, 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 Chang and Hanohano.

**SCRep. 1136 Education on S.B. No. 1284**

The purpose of this bill is to ensure that students with disabilities in private special education schools and placements as a result of hearing officers' decisions, court orders, or programmatic placement receive a quality education by, among other things:

- (1) Authorizing the Department of Education (DOE) to monitor students with disabilities who are placed in private schools or placements at DOE's expense, and requiring DOE to withhold payment if student monitoring is restricted or denied;
- (2) Requiring private schools and placements that receive DOE funds to annually post itemized rates, fees, and tuition and to charge DOE the same tuition as that charged to parents and guardians who unilaterally place a student at the private school or placement; and
- (3) Requiring DOE to pay only for private school or placement services that are specified in a student's individualized education program.

The Board of Education, DOE, Hawaii State Teachers Association, and a concerned individual supported this bill. The Hawaii Disability Rights Center and several concerned individuals opposed this measure. The Hawaii Association of Independent Schools provided comments.

Your Committee has amended this bill by:

- (1) Exempting schools that are full and accredited members in good standing of the Hawaii Association of Independent Schools and the Hawaii Catholic Schools; provided that DOE maintains authorization to monitor students eligible for services at DOE's expense at such 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. 1284, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1284, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1137 Education on S.B. No. 1383**

The purpose of this bill is to help ensure the continued repair and maintenance of public school facilities by appropriating an unspecified amount of general funds to Hawaii 3R's to expedite the repair and maintenance of public schools.

The Department of Education and Hawaii 3R's supported this bill.

Your Committee has amended this bill by:

- (1) Including provisions that direct moneys generated by the \$2 income tax check-off into the Hawaii 3R's School Repair and Maintenance 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1383, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1383, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1138 Education on S.B. No. 1487**

The purpose of this bill is to reduce costs and increase efficiency with respect to the use of public school facilities by, among other things:

- (1) Specifying that the Department of Education (DOE) may open, close, or consolidate existing schools;
- (2) Requiring that schools be closed or consolidated according to administrative rules adopted by DOE; and
- (3) Establishing a procedure whereby a school and its school community council may propose a plan to avoid closure or consolidation.

DOE opposed this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1487, 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 Chang and Hanohano.

**SCRep. 1139 Education on S.B. No. 1503**

The purpose of this bill is to help ensure that students eligible for special education and related services receive a quality education by requiring:

- (1) Certain private special education schools and programs that provide services to students with disabilities who receive state funding to comply with federal and state laws, rules, and regulations; and
- (2) Any nonpublic special education school or program that is not accredited by specified accrediting agencies to apply for accreditation within 90 days from the date of accepting a student with disabilities who was placed there under certain specified conditions.

The State Council on Developmental Disabilities, Hawaii Association of Independent Schools, and several concerned individuals supported this bill. The Hawaii Disability Rights Center, Autism Society of Hawaii, and a concerned individual opposed this measure. Good Beginnings Alliance 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. 1503, 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 Chang and Hanohano.

**SCRep. 1140 Economic Revitalization & Business/Energy & Environmental Protection on S.B. No. 745**

The purpose of this bill is to reduce Hawaii's reliance on fossil fuels and support alternative energy systems by including the production of air conditioning from a seawater air conditioning district cooling system within the definition of "eligible business activity" under the State's Enterprise Zone program. This bill also stipulates that gross proceeds received by a contractor in connection with the construction of a seawater air conditioning district cooling system shall not be exempt from the general excise tax.

Honolulu Seawater Air Conditioning, LLC, and The Hawaii Building and Construction Trades Council, AFL-CIO, supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committees have amended this measure by:

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

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 745, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 745, 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, Chong, Har, Nishimoto and Pine.

**SCRep. 1141 Economic Revitalization & Business/Energy & Environmental Protection on S.B. No. 1164**

The purpose of this bill is to support the renewable energy industry in Hawaii by expanding the definition of "eligible business activity" under the State's Enterprise Zone program to include:

- (1) Production of electric power from renewable energy, as defined under the Public Utilities Commission law, for sale primarily to a public utility company for resale to the public; and
- (2) Ownership, control, operation, or management of any seawater air conditioning district cooling project.

Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Honolulu Seawater Air Conditioning, LLC, and The Hawaii Building and Construction Trades Council, AFL-CIO, supported this bill. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this measure. The Department of Taxation, Sopogy, Inc., and Tax Foundation of Hawaii submitted comments.

It is the understanding of your Committees that interested stakeholders and DBEDT have initiated discussions on concerns raised regarding the kinds of activities that may qualify for the incentives provided by this measure. Your Committees note that the parties involved have indicated their willingness to continue this dialogue as this bill moves forward to the Committee on Finance.

Your Committees have amended this measure by:

- (1) Clarifying that the provisions of section 209E-11, Hawaii Revised Statutes (HRS), which establish state general excise tax (GET) exemptions for qualified businesses on the gross proceeds from an eligible business activity, is applicable in spite of the provisions of section 237-13.5 HRS, which relate to assessment of the GET on the sale of electric power to a public utility company for resale to the public;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1164, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong, Har, Tokioka and Pine.

**SCRep. 1142 Economic Revitalization & Business/Hawaiian Affairs on S.B. No. 283**

The purpose of this bill is to incorporate the definitions, guiding principles, and goals of the Hawaii 2050 Sustainability Plan into the Hawaii State Planning Act.

The University of Hawaii (UH) System, The Nature Conservancy of Hawaii, Hawaii Energy Policy Forum, and a concerned individual supported this bill. The Office of Planning submitted comments.

In light of concerns raised during the public hearing, your Committees have amended this measure by:

- (1) Requiring UH to submit a report to the Legislature on the status and progress made in implementing the sustainability goals set forth by this measure;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 283, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 283, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Jordan, Morikawa, Tokioka and Yamane.

**SCRep. 1143 Economic Revitalization & Business on S.B. No. 753**

The purpose of this bill is to support the high technology industry in Hawaii by extending the high technology income tax credit for qualified research activities (Research Credit) to December 31, 2015. This bill also requires a qualified high technology business that claims the Research Credit to file an annual survey with the Department of Taxation (DOTAX) and establishes annual reporting requirements related to the Research Credit for DOTAX.

The Hawaii Strategic Development Corporation, High Technology Development Corporation, Novasol, The Chamber of Commerce of Hawaii, Oceanit, and Pukoa Scientific supported this bill. DOTAX supported the intent of this measure. The Tax Foundation of Hawaii submitted comments. A concerned individual opposed this bill.

Upon further consideration and in light of concerns raised during the public hearing, your Committee has amended this measure by:

- (1) Repealing existing provisions establishing certification requirements for the Research Credit;
- (2) Restoring the definitions of "qualified high technology business" and "qualified research" to read as they currently exist in statute;
- (3) Deleting invention disclosures and adding full patents submitted to the list of items relating to filed intellectual property that must be included in the annual survey;
- (4) Establishing a fine for failure to file the annual survey by its due date;
- (5) Prohibiting a qualified high technology business from filing a return to claim the Research Credit until the business has filed the annual survey with DOTAX;
- (6) Changing the deadline by which DOTAX must submit a report to the Legislature on the summary descriptive statistics by category relating to the Research Credit to December 21 of each year;
- (7) Requiring DOTAX to allow the Department of Business, Economic Development, and Tourism (DBEDT) to access information collected on the Research Credit;
- (8) In lieu of DOTAX, requiring DBEDT to use information collected on the Research Credit to study the effectiveness of the Research Credit and submit annual reports to the Legislature;
- (9) Changing the deadline by which DBEDT must submit the annual report on the effectiveness of the Research Credit to the Legislature to December 21 of each year;
- (10) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 753, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 753, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Nishimoto and Pine.

**SCRep. 1144 Economic Revitalization & Business on S.B. No. 752**

The purpose of this bill is to expand the use of the Hawaii Community-based Economic Development (CBED) Revolving Fund to include funding the:

- (1) Operations of the CBED Technical and Financial Assistance program and the State's Enterprise Zone program and certain personnel costs for both programs; and
- (2) Operating costs of the CBED Advisory Council.

This bill also clarifies that moneys in the Hydrogen Investment Capital Special Fund shall be expended by the Hawaii Strategic Development Corporation.

The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this bill.

Upon further consideration and in light of testimony submitted for this measure, your Committee has amended this measure by:

- (1) Exempting grants provided under the CBED program from the Hawaii Public Procurement Code;
- (2) Inserting the substance of House Bill No. 782, H.D. 2, Regular Session of 2011, which temporarily:
  - (A) Establishes the DBEDT Operation Special Fund to support DBEDT operations; and
  - (B) Imposes a surcharge of \$20 to be added to various fees assessed by the Department of Commerce and Consumer Affairs, Public Utilities Commission, Department of Labor and Industrial Relations, and Department of Taxation, and requires that surcharge revenues be deposited into the DBEDT Operation Special Fund;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 752, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 752, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 1145 Economic Revitalization & Business on S.B. No. 975**

The purpose of this bill is to require a real estate appraiser to comply with the Uniform Standards of Professional Appraisal Practice when acting as an arbitrator in an arbitration proceeding to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate.

Citizens for Fair Valuation, Central Park Community Association, Sony Electronics, and several concerned individuals supported this bill. The Department of Land and Natural Resources, Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, and Land Use Research Foundation of Hawaii opposed this bill.

As this bill moves forward in the legislative process, your Committee respectfully requests your Committees on Consumer Protection and Commerce and Judiciary to review the arbitration process, noting in particular its final and binding nature and the lack of an appeals process.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 975, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 975, 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 Representative Brower.

**SCRep. 1146 Economic Revitalization & Business on S.B. No. 1496**

The purpose of this bill is to support the aerospace industry in Hawaii by including the development and operation of space exploration and lunar research related activities within the definition of "eligible business activity" under the State's Enterprise Zone program.

The University of Hawaii at Hilo, Mars Institute, Real World Design, Challenge, Pacific International Space Center for Exploration Systems, The Aerospace States Association, Pacific International Space Alliance, Onizuka Space Center, Hawaii State Aerospace Advisory Committee, Pacific Aviation Museum Pearl Harbor, Hawaii Academy of Science, Enterprise Honolulu, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism and Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that incentives provided by this measure will help to stimulate economic growth for Hawaii and for our international partners such as Japan, which is particularly important in light of the current economic hardships experienced by Japan and Hawaii as a result of the devastating earthquake and tsunami of March 11, 2011.

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

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1496, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1496, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 1147 Economic Revitalization & Business on S.B. No. 1355**

The purpose of this measure is to facilitate the collection of interstate sales taxes by:

- (1) Adopting amendments to state tax laws to allow the State to participate in the national Streamlined Sales and Use Tax Agreement, to take effect when the State becomes a party to the Streamlined Sales and Use Tax Agreement; and
- (2) Creating a committee to oversee the Department of Taxation's implementation and administration of and compliance with the Streamlined Sales and Use Tax Agreement.

The Hawaii Association of REALTORS and Retail Merchants of Hawaii testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee finds that a primary goal of this measure is to address growing inequities between local retailers that are required to collect general excise taxes and online retailers that are not. An increasing number of consumers are choosing to buy from online retailers to save money by not paying the general excise tax. The resulting decrease in general excise tax revenues hurts not only the state budget and funding for government services but also the local economy as Hawaii retailers are steadily losing business to out-of-state companies.

Your Committee has amended this measure by replacing its entire contents with the provisions of H.B. No. 1183, H.D. 2 (2011), which implement an alternative approach to collecting the general excise tax from out-of-state purchases. As amended, this measure imposes the general excise tax on out-of-state businesses that sell tangible personal property to Hawaii residents by:

- (1) Establishing for general excise tax purposes a nexus between the State and out-of-state businesses that:
  - (A) Engage in or solicit business with persons within the State; and
  - (B) Earn income, gross proceeds, gross rental, or gross rental proceeds from sources in the State;
- (2) Requiring out-of-state businesses that conduct business in the State, but do not collect the general excise tax, to file an annual statement with the Department of Taxation regarding sales of tangible personal property to Hawaii residents, thereby relieving the business of the duty to collect general excise taxes on those sales. A similar filing requirement is imposed upon in-state businesses that are not otherwise required to collect the general excise tax on those sales; and
- (3) Amending the definition of engaging in business for general excise tax purposes to include the sale of tangible personal property by a person soliciting business through an independent contractor or other representative, if the person enters into an agreement with a Hawaii resident who refers potential customers for a commission or other consideration.

Your Committee has further amended this measure by inserting the provision of H.B. No. 805 (2011), which repeals the income tax exemption for income derived from stock options or stock from a qualified high technology business. Your Committee finds that the State can no longer afford the cost of this tax exemption.

Your Committee has also changed the effective date of this measure to July 1, 2112, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1355, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1355, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 1148 Economic Revitalization & Business on S.B. No. 777**

The purpose of this measure is to establish a prompt payment task force to examine and resolve issues relating to state agencies' payments for goods and services purchased through nonprofit organizations.

Your Committee received testimony in support of this measure from the Department of Education; Goodwill Industries of Hawaii, Inc.; and the Hawaii Alliance of Nonprofit Organizations.

Your Committee finds that payment delays have contributed to creating undesirable consequences for nonprofit organizations, such as having to freeze or reduce employee salaries, draw on reserves, reduce their workforce, reduce benefits, borrow funds or reduce lines of credit, and downsize

programs. In 2009, fifty per cent of the nonprofits in Hawaii reported problems with late payments, which is higher than the national average of forty-one per cent.

Your Committee has amended this measure by adding a representative of the nonprofit organization Protecting Hawaii's Ohana, Children, Underserved, Elderly, and Disabled (PHOCUSED), to the task force and by changing the effective date to July 1, 2112, in order to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Brower.

**SCRep. 1149 Water, Land, & Ocean Resources/Housing on S.B. No. 1241**

The purpose of this bill to assist the State in addressing its financial difficulties by repealing the conveyance tax exemption for the sale or transfer of real property that has been certified by the Hawaii Housing Finance and Development Corporation for low-income housing development.

The Hawaii Housing Finance and Development Corporation testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

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. 1241, 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 Carroll, Herkes and Riviere.

**SCRep. 1150 Energy & Environmental Protection/Consumer Protection & Commerce on S.B. No. 367**

The purpose of this bill, as received by your Committees, is to establish a regulatory structure under which the Public Utilities Commission (PUC) can certify a cable company to commercially develop, finance, and construct an inter-island high-voltage electric transmission cable system to transmit clean, renewable energy in the State. Among other things, this bill:

- (1) Requires a cable company wishing to install a high-voltage undersea transmission cable system to be certified by the PUC, establishes the criteria for certification, and provides a certification process;
- (2) Requires the PUC to approve, by order, the tariff of the certified cable company and establishes a process by which PUC action on the tariff shall be taken;
- (3) Establishes a surcharge mechanism to allow for the recovery of the high-voltage undersea transmission cable system costs;
- (4) Authorizes the PUC to allow an electric utility company to purchase the high-voltage undersea transmission cable system through various means;
- (5) Entitles an electric utility company to recover the company's revenue requirement resulting from the costs that the company incurred in acquiring a high-voltage electric transmission cable system if it meets certain requirements; and
- (6) Exempts amounts received in the form of a surcharge by an electric utility company acting on behalf of a certified cable company from being included as the electric utility's:
  - (A) Gross income when calculating the public service company tax;
  - (B) Gross receipts when calculating the public utilities franchise tax;
  - (C) Gross income, adjusted gross income, and taxable income when calculating the electric utility's income tax; and
  - (D) Gross income when calculating the electric utility's public utilities fee.

The Department of Business, Economic Development, and Tourism (DBEDT), Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Hawaiian Electric Company testified in support of this bill. A member of the Maui County Council, Hawaii Community Stewardship Network, Ahahui Malama I Ka Lokahi, Conservation Council for Hawaii, Hawaii's Thousand Friends, Life of the Land, and numerous concerned individuals testified in opposition to this bill. The PUC and the Office of Hawaiian Affairs (OHA) provided comments.

After receiving testimony on this measure, your Committees deferred this measure to March 21, 2010, and requested concerned parties to meet and discuss the measure and establish a proposed draft for the Committees to consider. Prior to the March 21, 2010, hearing date, your Committees made available for review and received testimony on a Proposed HD1 for S.B. No. 367, S.D. 3. As amended, the purpose of the bill remains the same, but includes amendments that:

- (1) Modify the definitions of:

- (A) "Certified cable company" to mean any person or persons, company, or corporation, or entity who owns or controls a high voltage electric transmission cable system and who receives a certificate of public convenience and necessity from the commission;
  - (B) "Cost" to include any applicable land costs; and
  - (C) "Request for proposals" to mean a request for proposals issued pursuant to a competitive bidding process authorized, reviewed, and approved by the commission, and developed and conducted by the electric utility company or companies to which the capacity of a high-voltage electric transmission cable system will be made available, with input and assistance from the state energy resources coordinator, to select a cable company;
- and
- (2) Stipulating that, as part of the certification process:
    - (A) The utility and the energy resources coordinator, or the energy resources coordinator's designee, shall develop the request for proposals;
    - (B) The energy resource coordinator or the energy resources coordinator's designee shall be a member of the selection committee that will review and evaluate the request for proposals; and
    - (C) The utility shall suspend or terminate the request for proposals at the discretion of the commission.

DBEDT and Hawaiian Electric Company testified in support of the Proposed H.D. 1. Life of the Land and numerous concerned individuals testified in opposition to the Proposed H.D. 1. The PUC and OHA submitted comments on the Proposed H.D. 1.

Hawaii is one of the most fossil fuel-dependent states in the nation with a majority of our oil being imported. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel and price volatility can negatively impact the environment and economic health of the people of Hawaii. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets.

Increasing energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation. Hawaii's clean energy policy also mandates and strongly promotes the use of renewable energy resources. As the amounts and forms of renewable energy differentiate from island to island, establishing an undersea cable capable of transmitting renewable energy-generated electricity between islands would help Hawaii achieve its clean energy goals.

While your Committees note that there is and has been a good deal of opposition to this legislation, a majority of the opposition references the establishment of wind farms and electric utility rates, and include statements that this legislation is premature. However, your Committees note that this measure simply establishes a regulatory structure to establish the cost of inter-island high voltage electric transmission cable systems via a request for proposals process. It then subsequently provides a structure for the installation and implementation of said cable system.

Furthermore, your Committees note that the residents of the islands on which the wind generation facilities could be located have raised concerns that they will not have their chance to participate in the evaluation of the development of these facilities and the subsequent shipment of electricity to Oahu via an undersea cable system. It should be noted that the overall project contains several related projects which will require formal environmental impact statement processes and reporting. Moreover, permits for these projects will require review and approval from county agencies, and these projects will be subject to much review, evaluation, discussion, and decision making over a period of many years.

Accordingly, your Committees have amended this measure by adopting the language contained in the Proposed H.D. 1. Additionally, your Committees have further amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 367, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 367, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll, Chang, Chong, Har and McKelvey.  
(Representatives Riviere and Thielen voted no.)

**SCRep. 1151 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 723**

The purpose of this measure is to extend the exemption from the State's environmental impact statement law, any primary action that requires a permit or approval that is not subject to discretionary consent and that involves a secondary action that is ancillary and limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right-of-way or highway.

The Commercial Real Estate Development Association, Hawaii Chapter, the Hawaii Association of Realtors, the Chamber of Commerce of Hawaii, the Land Use Research Foundation of Hawaii, and Hawaiian Electric Company testified in support of the measure. The Office of Environmental Quality Control and one individual commented on the measure.

Your Committees note that Act 87, Session Laws of Hawaii 2009, was enacted to address concerns regarding undue delays and unnecessary expenses for minor actions that have insignificant environmental impacts. These concerns remain valid and support an extension of the sunset date for Act 87.

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

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. 723, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 723, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1152 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 631**

The purpose of this bill is to encourage and facilitate the development of solar renewable energy facilities in Hawaii by authorizing solar renewable energy production as a permitted use on agricultural lands, with certain limitations.

The Department of Business, Economic Development, and Tourism, Sopogy, Inc., Hawaii Solar Energy Association, and a concerned individual testified in support of this bill. The Hawaii Farm Bureau Federation testified in support of the intent of this measure. The Sierra Club-Hawaii Chapter and several concerned individuals testified in opposition to this bill. The Office of Planning of DBEDT provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation with a majority of our oil being imported. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel and price volatility can negatively impact the environment and economic health of the people of Hawaii. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar and wind energy assets. While these renewable resources of energy, especially solar energy, can be used to further the State's energy self-sufficiency, they can also be used to promote agricultural sustainability.

Your Committees note that Hawaii's farmers and ranchers need to fight energy costs with energy revenues to become or remain a viable business entity. While not all lands have wind resources, most lands have access to abundant sunshine. Under existing law, the electric utility companies do not have to obtain competitive bids for independent power producers that produce under five megawatts of power. As it takes approximately four acres of photovoltaic panels to produce one megawatt of electricity, approximately 20 acres of land would produce five megawatts of electricity. Allowing the use of agricultural land for renewable solar energy production provides farmers and ranchers with the opportunity to produce and sell electricity to offset their costs.

Your Committees have amended this bill by:

- (1) Further specifying that solar energy facilities located on agricultural lands with a productivity rating of B or C shall occupy no more than ten percent of the acreage of the parcel or not more than 20 acres of land, whichever is the lesser; and
- (2) Providing an exemption for solar energy facilities to be placed in areas designated as Important Agricultural Lands if the facility comprises an operational infrastructure of the appropriate type and scale for the economic commercial generation, storage, distribution, and other similar handling of energy, including equipment, feedstock, fuels, and other products of agricultural-energy facilities.

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 that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 631, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, H.D. 1, and be referred to the Committee on Agriculture.

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

**SCRep. 1153 Energy & Environmental Protection on S.B. No. 1493**

The purpose of this measure is to protect the State's valuable night sky resource by implementing the recommended legislation of the temporary advisory committee established pursuant to Act 161, Session Laws of Hawaii 2009.

Specifically, this measure implements a starlight reserve strategy by, among other things:

- (1) Requiring that every new and replacement outdoor light fixture be fully shielded to prevent light from being emitted above the horizontal plane of the lens fixture, subject to certain exemptions; and
- (2) Providing for acceptable alternative lighting sources when fully shielded fixtures are not practical.

Your Committee received testimony in support of this measure from the University of Hawaii; The International Dark-Sky Association; Sierra Club, Hawaii Chapter; Subaru Telescope; W.M. Keck Observatory; Gemini Observatory; Canada-France-Hawaii Telescope Corporation; and two individuals. Your Committee received testimony in support of the intent of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; and the Department of Design and Construction, City and County of Honolulu. Your Committee

received testimony in opposition to this measure from the Department of Transportation and one individual. Your Committee received comments on this measure from the Starlight Reserve Committee.

Your Committee finds that the dark night sky of Hawaii is a valuable natural and cultural resource that should be protected from the increasing amount of unnecessary light pollution caused by poorly shielded lights. Shielded lights will improve the quality of the night sky for scientific research, protect endangered species of birds as they navigate across the State, and preserve the beautiful night sky for residents and tourists alike.

Your Committee has considered the comments of the Department of Design and Construction, City and County of Honolulu. In particular, your Committee does not intend that this measure necessitate the repositioning of existing light poles.

Accordingly, your Committee has amended this measure by:

- (1) Changing the term "fully shielded" to "full-cutoff" for consistency with the terminology used in the Illuminating Engineering Society of North America illumination standards, which are used by the City and County of Honolulu;
- (2) Adding an exemption from the required use of full-cutoff lighting if this lighting does not provide equivalent or better illumination and uniformity, as recommended by the Illuminating Engineering Society of North America, for the intended location and application; and
- (3) Changing the specified requirements for acceptable luminaries for athletic facilities to those determined acceptable by a registered electrical engineer, subject to certain minimum standards;

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. 1493, 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. 1493, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll and Har.

**SCRep. 1154 Energy & Environmental Protection on S.B. No. 146**

The purpose of this bill, as received by your Committee, is to work toward expanding the use of biofuels as a viable source of energy in Hawaii by:

- (1) Directing the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a study that includes:
  - (A) An estimate of the projected demand for biofuel in the State and the availability of local biomass feedstock to meet existing and proposed biofuel production;
  - (B) The capacity of any biofuel producer's facilities to produce sufficient amounts of biofuel to meet the projected demand for biofuel;
  - (C) An estimate of the number of gallons of biofuel, broken down by type of biofuel, that can be produced solely from feedstock grown in the State;
  - (D) The percentage of transportation fuel sold in the State that could be biofuel-based; and
  - (E) Any other relevant information that DBEDT deems necessary;

and
- (2) Requiring DBEDT to report its findings and recommendations to the Legislature no later than 20 days prior to the Regular Session of 2012; provided that the study may be included in the Energy Resources Coordinator's annual report to the Governor and Legislature.

Prior to the hearing, your Committee circulated for review and accepted testimony on a Proposed H.D. 1. As amended, the purpose of the Proposed H.D. 1 is to expand the use of biofuels as a viable source of energy in order to reduce dependence on imported fossil fuels by requiring diesel fuel sold in the State for use in motor vehicles to contain no less than five percent biodiesel that is produced in the State from agricultural products grown in the State.

The Hawaii Carpenters Union and Aina Koa Pono testified in support of this bill. Pacific Biodiesel, Inc., testified in support of the intent of this measure. DBEDT, the Western States Petroleum Association, and Hawaii Renewable Energy Alliance provided comments.

Hawaii is one of the most fossil fuel dependent states in the nation. Expanding the use of biofuels as a viable source of energy will help reduce our dependence on imported fossil fuels and the use of biofuels is consistent with the State's goals relating to renewable energy and sustainability. One way to expand the use of biofuel is to impose a statutory requirement to use biofuels as a form of transportation fuel, particularly biodiesel.

However, your Committee notes the concerns raised by DBEDT that restricting the use of agricultural products for the production of biodiesel fuel to agricultural products grown in the State and specifying diesel fuel sold for use in motor vehicles contain not less than five percent biodiesel by volume may be problematic. Accordingly, your Committee has amended this bill by adopting the language contained in the Proposed H.D. 1 and by further amending the bill to:

- (1) Stipulate that diesel fuel sold in the State for use in motor vehicles simply contain five percent biodiesel by volume; and

- (2) Specify that the biodiesel used to achieve the five percent content requirement shall be a locally-sourced product that meets or exceeds the American Society for Testing and Materials certification or a product designated by the director through rules adopted in accordance with Chapter 91.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 146, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 146, 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, Chong and Har.

**SCRep. 1155          Judiciary on S.B. No. 1089**

The purpose of this bill is to strengthen protection for employees by authorizing the Department of Labor and Industrial Relations (DLIR) to enforce notice requirements of a closing, divestiture, partial closing, or relocation against specified establishments.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and ILWU Local 142 supported this bill. DLIR provided comments.

Your Committee has amended this bill by changing its effective date to July 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 S.B. No. 1089, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1089, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1156          Judiciary on S.B. No. 981**

The purpose of this bill is to require the Office of Hawaiian Affairs to establish, design, and facilitate a training course relating to native Hawaiian and Hawaiian traditional and customary rights, native Hawaiian and Hawaiian natural resource protection and access rights, and the public trust, to be conducted twice a year for members of specified state councils, boards, and commissions within six months of their official appointment date.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, Native Hawaiian Legal Corporation, Aha Kiole Advisory Committee, and several concerned individual supported this bill. The Land Use Research Foundation of Hawaii and a concerned individual opposed this bill. The Department of Land and Natural Resources and Maui County Farm Bureau offered comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, 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 Carroll and Souki.

**SCRep. 1157          Judiciary on S.B. No. 921**

The purpose of this bill is to provide for the safety of the State's runaway or transient youth by, among other things:

- (1) Authorizing certain child care providers to provide emergency shelter and related services for up to thirty days based on the reasonable belief the minor has given informed consent, agrees to adhere to rules and services, and such shelter is necessary for the minor's safety and well-being;
- (2) Shielding the providers from criminal or civil liability for emergency shelter provided or related services rendered where certain precautions were taken;
- (3) Relieving the parent, legal guardian, or legal custodian of the minor from legal and financial obligation under certain circumstances; and
- (4) Requiring the provider to report to the Department of Human Services (DHS) or the police if the provider suspects the minor may be subject to child abuse or neglect.

DHS, American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, and a concerned individual testified in support of this measure. Hawaii Youth Services Network provided comments.

Your Committee has amended this bill by:

- (1) Moving the language requiring providers to conduct an assessment of whether the minor poses a danger to the minor's self or others to subsection (a) from subsection (b), so that it is more clearly part of the provider's obligations in determining whether offering shelter is reasonable;
- (2) Merging the two subsections protecting the provider from liability into subsection (e);
- (3) Incorporating the 30-day limitation on duration of stay into the definition of "emergency shelter and related services";



- (4) Based on consultation with the Hawaii Youth Services Network, clarifying, formatting, and distinguishing the mandatory and optional services within the definition of "emergency shelter and related services"; 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. 921, 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. 921, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1158          Judiciary on S.B. No. 1520**

The purpose of this bill is to recognize the native Hawaiian people as the only indigenous, aboriginal, maoli people of Hawaii.

The Department of Hawaiian Home Lands, Native Hawaiian Convention, Association of Hawaiian Civic Clubs, Imua Alliance, Sovereign Councils of the Hawaiian Homelands Assembly, and a concerned individual testified in support of this bill. Several concerned individuals testified in opposition to this measure. The Office of Hawaiian Affairs provided comments.

Your Committee has amended this measure by:

- (1) Revising the term "native Hawaiians" to read "Native Hawaiians" in most instances, based on testimony from the Office of Hawaiian Affairs, so that issues of blood quantum do not arise;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1520, 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. 1520, S.D. 2, H.D. 2.

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

**SCRep. 1159          Judiciary on S.B. No. 1491**

The purpose of this bill is to expand the circumstances under which a summons or other writ issued by a district court may be served outside of the State.

The Collection Law Section of the Hawaii State Bar Association testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1491, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1491, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll, Ito and Fontaine.

**SCRep. 1160          Judiciary on S.B. No. 1291**

The purpose of this bill is to continue to protect Hawaii's children by clarifying language in the Child Protective Act of 2010 (Act), Chapter 587A, Hawaii Revised Statutes, to ensure consistency in practice and compliance with applicable federal requirements, under federal Title IV-E. The bill also clears up an unintended ambiguity regarding the effect of the Act on existing cases, that is, cases that were filed and adjudicated under last year's law.

The Judiciary, Department of the Attorney General, and Department of Human Services supported this bill.

Your Committee has amended this bill by changing its effective date to October 1, 2011, to provide enough time for designated agencies to implement these changes.

As affirmed by the record of votes of 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. 1291, 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. 1291, S.D. 2, H.D. 2.

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

**SCRep. 1161          Transportation/Economic Revitalization & Business on S.B. No. 823**

The purpose of this bill is to improve management and oversight of contracts relating to county public transit by making the director of a county semi-autonomous public transit agency the chief procurement officer for that agency.

The City and County of Honolulu Department of Transportation Services and a concerned individual testified in support of this bill.

On November 2, 2010, an amendment to the Revised Charter of the City and County of Honolulu (Honolulu) was approved by the voters of Honolulu that established a semi-autonomous public transit authority officially known as the Honolulu Authority for Rapid Transit, or HART. HART is responsible for the planning, construction, operation, maintenance, and expansion of Honolulu's fixed-guideway mass transit system. In order for HART to provide timely and efficient management of the rail transit system, it needs specific procurement authority to function as a semi-autonomous agency of the county similar to a county board or department of water supply. This measure gives HART that authority by making the director of HART the chief procurement officer for that agency.

Your Committees have amended this measure by changing its effective date to July 1, 2011.

As affirmed by the records of votes of the members of your Committees on Transportation and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 823, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Saiki, Takumi and Tokioka.

**SCRep. 1162      Transportation/Public Safety & Military Affairs on S.B. No. 169**

The purpose of this bill is to increase public safety by authorizing the establishment of a pilot program using dogs to inspect incoming cargo shipments after arrival at the State's harbors for illegal fireworks and explosives.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, and Department of Fire and Public Safety of the County of Maui supported the intent of this bill. The Department of Transportation provided comments.

As an island State Hawaii receives approximately 98 percent of its goods via water borne transportation that enter our commercial harbors each year. While a majority of shipping cargo containers from international ports are inspected, only a small fraction of the more than 200,000 domestic shipping cargo containers that arrive in Hawaii each year from the continental United States are inspected by government agencies. Shipping companies conduct random checks of less than five per cent of incoming cargo containers, and these inspections are mainly conducted to ensure that senders of cargo have been properly charged. This lack of sufficient cargo inspections means that there is ample opportunity for illegal fireworks and explosives to be smuggled into the State.

However, your Committees find that while insufficient cargo inspections at the harbors provide opportunities for illegal fireworks and explosives to be smuggled into the State, any efforts to increase inspections need to be carefully crafted to avoid delays and inefficiencies in harbor operations that may impede commerce. The use of dogs to quickly inspect cargo at the harbors offers one potential solution.

Your Committees have amended this bill by:

- (1) Changing its effective date to July 1, 2011;
- (2) Deleting the sunset date for the pilot program; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 169, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 169, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1163      Transportation on S.B. No. 1327**

The purpose of this bill is to continue the revenue stream for airport improvement projects by ensuring that the Department of Transportation (DOT) is able to collect the maximum amount of the Passenger Facility Charge (PFC) allowed by the Federal Aviation Administration (FAA).

DOT supported this bill. The Tax Foundation of Hawaii offered comments.

In 2003, the Legislature authorized DOT to begin collecting PFCs on enplaning passengers and for those charges to be deposited into the PFC Special Fund. Revenues in the PFC Special Fund are required to be used for airport improvement projects approved by the Legislature and as permitted under the federal Aviation Safety and Capacity Expansion Act of 1990. Once a project has been approved, airlines and travel agents begin collecting the PFC. The FAA establishes the rate of the PFC, which is presently set at \$4.50 per passenger.

In Hawaii, the PFC and PFC Special Fund are administered by DOT and governed by the Hawaii Administrative Rules (HAR). Should the FAA adjust the maximum allowable PFC rate for Hawaii, the HAR governing the PFC must be changed in accordance with the rulemaking provisions of Chapter 91, Hawaii Revised Statutes. This process can be untimely and can result in the loss of revenues for Hawaii's airports. Allowing the PFC rate to be adjusted by DOT without undergoing the rulemaking process will allow for DOT to more effectively collect the maximum amount of revenues for airport-related projects.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2011; and

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1327, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1327, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1164      Transportation on S.B. No. 1329**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State vehicle weight tax.

DOT and the Department of Taxation testified in support of this bill. E Noa Corporation testified in opposition to this measure. The City and County of Honolulu Department of Customer Services (DCS), Hawaii Transportation Association, Tax Foundation of Hawaii, Royal Star Hawaii Transit, and a concerned individual provided comments.

Currently, DOT estimates the costs of the routine operation and maintenance of Hawaii's highway system, which consists of over 2,400 lane miles of roadway, to be \$115,000,000 annually. With the downturn in both the national and State economies over the last several years, State Highway Fund monies have continued to be negatively impacted, with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. As a result, our land transportation system has failed to address increased transportation demands with project needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for even routine maintenance and operation of our roadways, let alone the construction of new and necessary roadways and appurtenances.

Your Committee finds that, according to DOT, the increase in the vehicle weight tax proposed in this measure will generate an additional \$32.9 million in revenues for the State Highway Fund and will continue to allow DOT to provide a safe, efficient, and effective land transportation system for the movement of people and goods serving a benefit to both residents and visitors alike.

However, concerns were raised by DCS that additional time will be needed to upgrade computer programs used for the registration of motor vehicles to address this rate increase. Accordingly, your Committee has amended this bill by changing the effective date to December 1, 2011, to provide DCS with additional time.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Fontaine.  
(Representative Johanson voted no.)

**SCRep. 1165      Health/Higher Education on S.B. No. 596**

The purpose of this bill is to encourage physicians, physician assistants, and nurse practitioners to practice in counties in the State with the greatest need for medical services, by providing for loan repayments for individuals who practice in those areas for at least five years.

Specifically, this measure:

- (1) Establishes the Hawaii Health Corps Program;
- (2) Establishes the Hawaii Rural Health Care Provider Loan Repayment Program to provide loan repayments on behalf of eligible physicians, physician assistants, and nurse practitioners who practice in counties with shortages of these positions, with priority given to those serving in rural areas and preference to graduates of University of Hawaii John A. Burns School of Medicine or University of Hawaii at Manoa School of Nursing and Dental Hygiene;
- (3) Creates the Hawaii Health Corps Revolving Fund; and
- (4) Makes appropriations to support the purpose and intent of this measure.

The Policy Advisory Board for Elder Affairs; Hawaii Medical Service Association; AlohaCare; Healthcare Association of Hawaii; East Hawaii Region of Hawaii Health Systems Corporation; Kau Hospital; Hawaii Health Systems Corporation; Hilo Medical Center Foundation; Healthy Mothers, Healthy Babies Coalition of Hawaii; University of Hawaii System; and several concerned individuals supported this bill. The Workforce Development Council offered comments.

Your Committees have amended this bill by:

- (1) Focusing on Hilo Medical Center's rural interdisciplinary residency program by appropriating an unspecified amount of funds to implement and sustain the program;

- (2) Deleting the Hawaii Health Corps Program, Hawaii Rural Health Care Provider Loan Repayment Program, and the Hawaii Health Corps Revolving Fund; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 596, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 596, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1166 Health on S.B. No. 1106**

The purpose of this bill is to improve the health of public employees and reduce health-care costs through the establishment of a workplace wellness pilot program to be operated by the Department of Health (DOH).

The Healthcare Association of Hawaii; American Heart Association; Hoana Medical, Inc.; and Papa Ola Lokahi supported this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation contained in it;
- (2) Explicitly requiring DOH to create a workplace wellness pilot 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1167 Health on S.B. No. 893**

The purpose of this measure is to ensure equal access to information by providing telephone-based audible information access to individuals with visual or other impairments that limit their access to print media. To this end, this bill directs the Disability and Communication Access Board (DCAB) to:

- (1) Contract with service providers to ensure that a telephone-based audible information access service is available statewide to individuals with visual or other impairments that limit their access to print media; and
- (2) Adopt rules to administer the access service, including establishing a mechanism for providing ongoing funding for the service.

Additionally, this measure appropriates funding for this service from the Wireless Enhanced 911 Fund.

The Department of Human Services and several concerned individuals testified in support of this measure. The Honolulu Police Department and several concerned individuals opposed this bill. DCAB offered comments.

Your Committee has amended this bill by:

- (1) Requiring DCAB to adopt rules no later than January 1, 2013;
- (2) Requiring DCAB to report to the Legislature no later than 20 days prior to the Regular Session of 2012 on its progress toward contracting with qualified providers of telephone-based audible information access; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Further, your Committee notes concerns regarding the legal implications of appropriating moneys from the Wireless Enhanced 911 Fund for deposit into the DCAB Special Fund, and whether moneys from the fund can be used for providing telephone-based audible information access services.

As affirmed by the 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. 893, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 893, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1168 Health on S.B. No. 1538**

The purpose of this bill is to address the special risks and needs faced by dialysis patients during and after critical events and natural disasters by directing the Department of Health (DOH) and the Civil Defense Division of the State Department of Defense (SCD) to implement the statewide dialysis emergency plan.

The Healthcare Association of Hawaii testified in support of this measure. DOH and the State Department of Defense supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Directing Healthcare Association of Hawaii's Emergency Management Program and the emergency services departments of the respective counties to partner with DOH and SCD in implementing the statewide dialysis emergency plan;
- (2) Amending the measure's reporting requirements to a single report to be submitted jointly by DOH, SCD, Healthcare Association of Hawaii's Emergency Management Program, and the emergency services departments of the respective counties;
- (3) Amending the reporting date to no later than 20 days prior to the convening of the 2012 Regular Session; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1538, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1538, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1169 Health on S.B. No. 1273**

The purpose of this bill is to ensure compliance with federal law and to preserve certainty in the duties of the Insurance Commissioner by authorizing the Insurance Commissioner to enforce consumer protections and market reforms relating to insurance set forth in the federal Patient Protection and Affordable Care Act.

The Department of Commerce and Consumer Affairs supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1273, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1170 Health on S.B. No. 240**

The purpose of this bill is to improve health care by making the Physician Workforce Assessment Fee (Fee) permanent and requiring a portion of the Fee to be used to support physician workforce assessment and planning for rural and medically underserved areas.

The Workforce Development Council, Hawaii Medical Association, Policy Advisory Board for Elder Affairs, and a concerned individual testified in support of this bill. The University of Hawaii System supported this measure with amendments. The Hawaii Medical Board opposed this bill.

Your Committee has amended this bill by:

- (1) Specifying that the portion of the Fee that was to be used for workforce assessment and planning shall be used to:
  - (A) Address communication of federal health care reform and implementation of the Affordable Care Act;
  - (B) Develop and support the medical home model; and
  - (C) Support increases in physician reimbursements;
 and
- (2) Extending the repeal date of the Fee and the John A. Burns School of Medicine Special Fund, as amended by this measure, to July 1, 2015.

As affirmed by the 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. 240, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 240, 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 C. Lee.

**SCRep. 1171 Health on S.B. No. 657**

The purpose of this bill is to update the scope of practice of chiropractic to reflect standards, practices, and terminology accepted by the National Board of Chiropractic Examiners.

The American Chiropractic Association, Hawaii State Chiropractic Association, Board of Chiropractic Examiners, and many concerned individuals testified in support of this bill. The Hawaii Insurers Council opposed this measure. The Hawaii Medical Association provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the imaging allowed to be used or ordered by licensees is for neuroskeletal purposes;
- (2) Requiring the Board of Chiropractic Examiners and American Chiropractic Association to work together to define the scope of practice for chiropractic;
- (3) Changing its 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 657, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 657, 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 Mizuno.

**SCRep. 1172 Health on S.B. No. 1086**

The purpose of this bill is to allow bread to be labeled as "fresh" only if the product has never been frozen prior to retail sale and to require previously frozen sliced, sandwich-style bread to be labeled as such.

The ILWU Local 142; Hawai'i Alliance for Retired Americans; Screen Actors Guild Hawai'i; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Ports Maritime Council, AFL-CIO; Hawaii Laborers' Union; and voluminous concerned individuals testified in support of this bill.

The Department of Health; J. Hara Store; Fresh Start Bakeries; Standard Bakery; Ani's Bake Shop; Watanabe Bakery LLC; Safeway; Grocery Manufacturers Association; Times Supermarket; Hawaii Foodservice Alliance LLC; Retail Merchants of Hawaii; Mountain View Mini Mart; Golden Coin Food Industries; United General Bakery dba Upper Crust Bakery USA; Hawaiian Isle Distributors; Frankie's Cafe; Kilauea General Store; Island Catering; Gold Coast Baking Company; Kahului Trucking & Storage, Inc.; Pukalani Superette; Mr. Sub Sandwiches; Kaimomi Distributing Moloka'i; Hirano Store; Lava Rock Cafe; Punalu'u Bake Shop; Menhune Bottled Water Company Inc.; Takata Store; Four Seasons Resort Maui at Wailea; Big Island Ohana Cafe; Ocean View Store; Waianae Store; Kalapana Village Cafe; and voluminous concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Expanding use of the term "fresh" to all baked goods that have never been frozen;
- (2) Removing the requirement that applicable sliced, sandwich-style bread be labeled "previously frozen";
- (3) Requiring identifying signs to be placed in grocers and wholesale clubs that sell or offer to sell previously frozen baked goods; 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. 1086, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1086, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1173 Health on S.B. No. 40**

The purpose of this bill is to further control pseudoephedrine by:

- (1) Reclassifying pseudoephedrine or any drug containing pseudoephedrine as a schedule V drug;
- (2) Requiring all drugs containing pseudoephedrine to be removed from public areas where over-the-counter drugs are sold;
- (3) Requiring pseudoephedrine to be dispensed only with a prescription, with certain exceptions, including limiting the quantities dispensed and documenting the dispensation; and
- (4) Repealing certain laws related to pseudoephedrine, as conforming amendments.

The City and County of Honolulu Department of the Prosecuting Attorney testified in support of this bill. The Department of Public Safety (PSD) supported the intent of this measure. The Drug Policy Forum of Hawai'i, Hawaii Food Industry Association, and a concerned individual opposed this bill. McKesson Corporation and Legislative Information Services of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Requiring PSD to expand its electronic drug dispensation tracking system and allowing one year for the system to be implemented;
- (2) Requiring PSD to report to the Legislature prior to the 2012 Regular Session on its progress in developing the tracking system;
- (3) Removing provisions limiting sales of pseudoephedrine to certain quantities, unless a prescription is obtained; 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. 40, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 40, 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 and C. Lee.

**SCRep. 1174 Health/Labor & Public Employment on S.B. No. 41**

The purpose of this bill is to preserve the level of high quality health care currently enjoyed by Hawaii's citizens under the Hawaii Prepaid Health Care Act (HPHCA) and to be proactive in case the One Hundred Twelfth Congress dismantles federal health care reforms, which may jeopardize the HPHCA. Specifically, this bill repeals the sunset provision of the HPHCA and repeals Act 99, Session Laws of Hawaii 1994, which would repeal the sunset provision of the HPHCA upon the enactment of certain federal law.

The Department of Labor and Industrial Relations, Hawaii Association of Health Plans, Hawaii Medical Service Association, Papa Ola Lokahi, American Cancer Society Hawaii Pacific Inc., and American Association of Retired Persons Hawaii supported this bill. The Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and The Chamber of Commerce of Hawaii offered comments.

As affirmed by the records of votes of the members of your Committees on Health and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 41, 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 Saiki, Ching and Pine.

**SCRep. 1175 Health/Human Services on S.B. No. 420**

The purpose of this bill is to appropriate funds to expand direct health care services to qualified individuals and to finance projects at designated federally qualified health centers (FQHCs) statewide. More specifically, this bill appropriates funds for:

- (1) Direct health care for the uninsured at FQHCs;
- (2) Adult dental benefits to Medicaid enrollees;
- (3) Compliance with federal regulations that require at least one outstationed eligibility worker at every FQHC;
- (4) Outreach services to families and to families with children eligible for Medicaid and the Children's Health Insurance Program;
- (5) The immigrant health initiative;
- (6) The establishment of an office to promote meaningful use and to certify the eligibility of providers to obtain federal funds; and
- (7) Capital improvements to health facilities in rural areas.

This bill also requires that federal matching funds be obtained for certain appropriations.

The Hawaii Primary Care Association; Papa Ola Lokahi; Kalihi-Palama Health Center; American Cancer Society Hawai'i Pacific, Inc.; and several concerned individuals testified in support of this bill. The Department of Human Services (DHS) supported the intent of this measure. The Department of Health, Department of the Attorney General, Hawaii Medical Service Association, and Healthcare Association of Hawaii provided comments.

Your Committees have amended this bill by:

- (1) Adding an appropriation for breast and cervical cancer screening;
- (2) Providing that direct care services at FQHCs may also include breast and cervical cancer screening;
- (3) Clarifying that the newly-established office to certify the eligibility of providers to obtain federal funds will also promote the meaningful use of electronic health records;

- (4) Clarifying that the funds provided for capital improvements to rural area health care clinics and centers are grants pursuant to Chapter 42F, Hawaii Revised Statutes, and amending the names of the clinics and centers to their legally-recognized names;
- (5) Requiring DHS to submit the State Medicaid Health Information Technology Plan to the Centers for Medicare and Medicaid Services no later than December 31, 2011, to take advantage of federal funding; 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 Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 420, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 420, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 1176 Health/Human Services on S.B. No. 926**

The purpose of this bill is to appropriate funds for various early childhood development and school readiness programs and services, including:

- (1) The Baby S.A.F.E. (Substance Abuse Free Environment) Program;
- (2) Hawaii's Healthy Start Program;
- (3) Fetal alcohol spectrum disorder services;
- (4) Family planning services;
- (5) Early intervention services;
- (6) Perinatal health programs;
- (7) Parenting support programs;
- (8) The Preschool Developmental Screening Program;
- (9) The Keiki Care Project;
- (10) Child care and preschool subsidies; and
- (11) The Preschool Open Doors Program.

The Department of Health, Child & Family Service, Hawaii Association of Independent Schools, Hawaii Family Support Institute, and Early Learning Council testified in support of this bill. The Department of Human Services and Hawaii State Teachers Association supported the intent of this measure. The Good Beginnings Alliance provided comments.

Your Committees have amended this bill by:

- (1) Requiring that higher priority with regard to procurement be given for projects where non-state funding is secured; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 926, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 926, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wooley.

**SCRep. 1177 Tourism on S.B. No. 769**

The purpose of this bill is to create jobs in the construction industry and improve the tourism industry in the State by establishing a tax credit for qualified hotel and resort property construction and renovation costs incurred after December 31, 2010, and before January 1, 2015.

The Hawaii Tourism Authority, The Resort Group, Land Use Research Foundation of Hawaii, and The Pacific Resource Partnership supported this bill. The Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii offered comments.

It appears to your Committee that the proposed tax credit percentage amounts and cost ranges would reduce the cost to the State resulting from lost tax revenues. Furthermore, as a longer effective period for the tax credit may increase its economic benefits, further discussion in this regard is warranted.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 769, 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 McKelvey and Ching.

**SCRep. 1178      Tourism on S.B. No. 1483**

The purpose of this bill is to alleviate the administrative and financial burden of condominium associations by allowing the association of a condominium that contains time share units to substitute the name and address of the time share association for the names and addresses of individual time share owners in the records that the condominium association is required to maintain.

Aston Hotels & Resorts, LLC; Outrigger Hotels Hawaii; Hawaii Legislative Action Committee of the Community Associations Institute; Hawaii Council of Associations of Apartment Owners; Consolidated Resorts Management, LLC; Association of Apartment Owners of Hanalei Bay Resort; Hawaiian Princess Time Share Owners Association; and several concerned individuals supported this bill. A concerned individual opposed this bill.

Your Committee has amended this bill by changing its effective date to March 3, 2015, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1483, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1483, 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 McKelvey and Ching.

**SCRep. 1179      Hawaiian Affairs/Water, Land, & Ocean Resources on S.B. No. 23**

The purpose of this measure is to establish an 'Aha Kiole Advisory Commission within the Department of Land and Natural Resources to serve in an advisory capacity to the Governor and the Legislature on all matters concerning the management of the State's land and natural resources.

Your Committees received testimony in support of this measure from Papa Ola Lokahi, Aha Kiole Advisory Committee, Aha Kiole Kauai Puna District, Kaua'i Westside Watershed Council, Ko'olauloa Hawaiian Civic Club, Kaua'i Ahu Moku Council, Association of Hawaiian Civic Clubs, Maunaloa Hawaiian Civic Club, and seventeen individuals.

Your Committees received comments on the measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committees find that current state policies regarding the management of the State's land and natural resources do not fully incorporate traditional knowledge and best management practices based upon the practices of Hawaii's indigenous people. The creation of an 'Aha Kiole Commission would help guide the State on issues related to land and natural resource manages.

Your Committees have amended this measure by changing all references from "commission" to "council" and by making a technical nonsubstantive change for the purpose of clarity 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 S.B. No. 23, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 23, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Pine and Riviere.

**SCRep. 1180      Human Services on S.B. No. 1360**

The purpose of this bill is to provide quality care for the elderly and disabled by amending the definition of "community care foster family home" to include the requirements that the primary caregiver must be a certified nurse aide and the substitute caregiver must be a nurse aide for community care foster family homes approved for a maximum of three clients.

The Filipino Chamber of Commerce of Hawaii, Adult Foster Homecare Association of Hawaii, Alliance of Residential Care Administrators, National Federation of Filipino American Associations Region XII, Lou's Quality Home Health Care Services, LLC, The Primary Care Providers, and numerous concerned individuals testified in support of this bill. The Department of Human Services (DHS) and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring certified nurse aides to receive a minimum of 24 hours of continuing education every two years and nurse aides to receive a minimum of 16 hours of continuing education every two years;
- (2) Requiring community care foster family homes to be certified and in operation for a year prior to being certified for a third client;
- (3) Requiring reimbursement for reason of parity for Medicaid beneficiaries categorized in the same or equivalent level of care, living in a community-based facility, whether a licensed community care foster family home or licensed adult residential care home;
- (4) Requiring community care foster family homes to ensure the following are current and made available for inspection by DHS and clients:
  - (A) A certificate of approval for the community care foster family home;

- (B) Licenses for case managers and a list of case managers' names;
  - (C) Certifications for certified nurse aides; and
  - (D) Certifications for nurse aides if applicable;
- and
- (5) Changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1360, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1181 Human Services on S.B. No. 1054**

The purpose of this bill is to improve the current process and timeline for obtaining a temporary restraining order (TRO) against harassment and domestic abuse by allowing a TRO to be issued:

- (1) Upon the submission of sworn oral testimony or complaint to the family and district courts by means of electronic voice communication; and
- (2) When the applicant is not physically present under certain circumstances.

The Hawaii Family Law Clinic dba Ala Kuola testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney supported this bill with amendments. The Office of the Public Defender and the Family Law Section of the Hawaii State Bar Association opposed this measure. The Judiciary provided comments.

Your Committee received testimony submitted by the Judiciary that points out that time is needed to allow the Judiciary and all law enforcement agencies to first develop procedures for all circuits, then enough time to seek adequate appropriations from the Legislature and implement the new program including training.

Testimony submitted by the Family Law Section of the Hawaii State Bar Association and received by your Committee states that currently, forms for a petition for protection are available online. Another method of submitting a petition is via fax, which is only being practiced on Maui, but could be adopted by other circuits. Moreover, an e-filing system would allow for petitions to be filled out and submitted online. However, the circuit and family courts have not implemented an e-filing system, but are expected to within the next year.

Your Committee finds that before statutorily allowing a TRO to be issued upon the submission of sworn oral testimony or complaint to the family and district courts by means of electronic voice communication, that the matter should first be examined with input from stakeholders to ensure prudence and conservation of limited resources. Accordingly, your Committee has amended this bill by substituting its contents with provisions that:

- (1) Establish within the Judiciary, a temporary task force that shall discuss, review, and seek input on policy for establishing a process to issue temporary restraining orders by the family and district courts upon submission of sworn oral testimony or complaint communicated to the courts by means of electronic voice communication; and
- (2) Authorize the establishment of a program within the Judiciary to assist applicants seeking temporary restraining orders and protective orders on state furlough days and when essential protective services are needed, and authorize the Judiciary to contract with a third party to administer the program.

Among other things, the amendments:

- (1) Establish the task force membership; and
- (2) Require the task force to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2012 Regular Session.

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. 1054, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Wooley and Yamane.

**SCRep. 1182 Human Services/Health on S.B. No. 1292**

The purpose of this bill is to ensure the uninterrupted provision of medically necessary services to low-income adults and children by making an emergency appropriation to cover the budget shortfall for health care payments and to prevent the loss of federal funds. Specifically, this bill appropriates for fiscal year 2010-2011:

- (1) \$57,500,000 in general revenues; and

- (2) \$96,400,000 in federal Medicaid funds as a federal match.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 101 to the Legislature, requested immediate consideration and passage of this bill by the Legislature to address the budget shortfall.

The Department of Human Services, Hawaii Medical Service Association, Hawaii Medical Association, Healthcare Association of Hawaii, AlohaCare, 'Ohana Health Plan, and Helping Hands Hawaii testified in support of this bill.

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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1292, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1183 Human Services/Health on S.B. No. 787**

The purpose of this bill is to increase Medicaid reimbursement rates so that rates for patients:

- (1) Occupying acute care licensed beds who are waitlisted for long-term care are at least equal to the rate paid for acute care services; and
- (2) With medically complex conditions occupying long-term care beds who have been receiving acute care services in an acute care facility are at least equal to the rate paid for subacute care services.

The Queen's Medical Center and Healthcare Association of Hawaii supported this bill. The Department of Human Services opposed this measure.

Your Committees acknowledge that testimony from the Healthcare Association of Hawaii points out that a report issued by Ernst & Young in late 2009 reported that Medicaid pays for only 20 to 30 percent of the actual costs of care for waitlisted patients, representing uncompensated hospital costs of approximately \$72.5 million in 2008.

Your Committees have amended this bill by:

- (1) Adding provisions that eliminate barriers and mechanisms that prevent or restrict the flexible use of Medicaid funds to enable reimbursements by Medicaid and its contracted health plans to follow patients transitioning out of acute care to community-based care or private institutions; 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. 787, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, C. Lee and Ching.

**SCRep. 1184 Consumer Protection & Commerce on S.B. No. 154**

The purpose of this bill is to allow real estate licensees to provide broker price opinions only when an appraisal is not required by law or otherwise.

The Hawaii Association of REALTORS® and the Hawaii Chapter of the Appraisal Institute supported this bill. The Department of Commerce and Consumer Affairs and the Hawaii Financial Services Association supported the intent of this measure.

After discussions with the stakeholders in this matter, your Committee amended the bill, taking into account the consensus reached by the stakeholders, by, among other things:

- (1) Limiting the use of a broker price opinion to use by:
  - (A) An existing or potential seller to list and sell real estate;
  - (B) An existing or potential buyer of real estate;
  - (C) A third party to determine the estimated potential listing, offering, sale, exchange, option, lease, or acquisition price of real estate; or
  - (D) An exiting or potential lien holder;
- (2) Requiring that a broker price opinion provided for compensation must be in writing and include:

- (A) A statement of the purpose of the price opinion;
  - (B) The basis of reasoning used to reach the price opinion;
  - (C) Disclosure of existing or contemplated interest of the broker or sales person issuing the opinion; and
  - (D) A specific disclosure statement that the opinion is not an appraisal;
- and
- (3) Inserting a provision that a broker price opinion may not be used as an appraisal into Chapter 466K, Hawaii Revised Statutes, relating to real estate appraisers.

As 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. 154, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 154, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1185 Consumer Protection & Commerce on S.B. No. 591**

The purpose of this bill is to regulate pharmacy benefit management companies, requiring them to register with the Insurance Commissioner before administering pharmacy benefits of health insurers.

The Hawaii Medical Association and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, CVS Caremark Corporation, Medco Health Solutions, Inc., and Ohana Health Plan opposed the measure. The Hawaii Association of Health Plans provided comments.

After further consideration and consideration of opposing testimony, your Committee feels that this bill is perhaps premature and has therefore replaced its contents with provisions that will establish an 11-person task force made up of a wide variety of interested persons to investigate regulating licensing pharmacy benefit management companies to ensure their financial reliability and full disclosure of drug costs and financial contracts. The task force will report back to the Legislature prior to the next legislative Regular Session.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, 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. 591, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Ching.

**SCRep. 1186 Consumer Protection & Commerce on S.B. No. 1348**

The purpose of this bill is to establish a nonprofit health insurance exchange, to be known as the Hawaii Health Connector, to, among other things, facilitate the purchase and sale of qualified health plans in compliance with the federal Patient Protection and Affordable Care Act of 2010.

The Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, Hawaii Medical Association, the American Cancer Society, and the Healthcare Association of Hawaii supported this bill. Hawaii Dental Service supported the bill, suggesting amendments. The Hawaii Association of Health Plans provided comments.

Your Committee amended this measure by, among other things:

- (1) Replacing the State Health Insurance Exchange Task Force with a 15-member Board of Directors of the Hawaii Health Connector to be appointed by the Governor upon recommendation of the Insurance Commissioner;
- (2) Emphasizing that the Hawaii Health Connector is not an agency of the State but rather a Hawaii nonprofit corporation whose appointment will be made by the Governor and with the advice and consent of the Senate, and establishing an interim board for the Hawaii Health Connector and specifying its membership;
- (3) Requiring the Insurance Commissioner to determine eligibility for the inclusion of health insurers and plans;
- (4) Excluding the expenditure of federal funds for the Interim Board of the Hawaii Health Connector from the procurement process;
- (4) Including qualified dental plans in all of the provisions;
- (5) Changing the effective date to upon approval; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1348, 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. 1348, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, McKelvey and Ching.

**SCRep. 1187 Higher Education/Education on S.B. No. 1382**

The purpose of this measure is to establish a task force to make recommendations regarding:

- (1) The State's compliance with pertinent federal laws to ensure that state post-secondary educational programs qualify for federal student loan programs and other federal funding; and
- (2) Whether the licensing or authorization of educational institutions and their administrators and instructors should be consolidated and tasked to a single state agency.

The University of Hawaii and the Department of Education testified in support of this measure.

Your Committees find that Hawaii's compliance with federal requirements is critical to ensuring the receipt of federal funds for post-secondary educational programs. In addition, there are questions regarding whether school principals should be licensed and the effectiveness of the Hawaii Teacher Standards Board in administering teacher licensing. This measure provides a means to examine and propose changes to state functions and responsibilities relevant to these issues in light of current conditions and needs of the public education system.

Your Committees have amended this measure by:

- (1) Placing the task force within the University of Hawaii and requiring the University to provide administrative support to the task force;
- (2) Removing the Legislative Reference Bureau from the task force membership;
- (3) Clarifying that task force members are not to be compensated for their services and are not entitled to travel or incidental cost reimbursement; and
- (4) Clarifying that the Legislative Reference Bureau is to assist the task force with preparing its reports to the Legislature under this measure, including the drafting of any proposed legislation.

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. 1382, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1382, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Awana, Chang, Mizuno and Saiki.

**SCRep. 1188 Higher Education on S.B. No. 1332**

The purpose of this bill is to continue to afford the University of Hawaii (UH) flexibility with respect to procurement in a manner that ensures accountability by extending UH's exemption from the Hawaii Public Procurement Code and requiring increased reporting requirements.

The Governor, UH, the General Contractors Association of Hawaii, Shimokawa + Nakamura, and several concerned individuals supported this bill. The State Procurement Office and Subcontractors Association of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring UH to provide the Legislature with a description and status of construction projects procured in excess of \$1,000,000, rather than \$3,000,000;
- (2) Removing the requirement for recommendations for best practices for procurement and replacing it with a report, required for each year during the period of time UH is exempt from the Hawaii Public Procurement Code, that includes:
  - (A) Problems UH has identified with the Hawaii Public Procurement Code provisions;
  - (B) Procedures UH has implemented as solutions to address identified problems with Hawaii Public Procurement Code provisions;
  - (C) Quantifiable outcomes of procurement procedures UH has implemented; and
  - (D) How procurement procedures implemented by UH have accelerated the acquisition of goods, services, and construction while addressing issues of equity and transparency in public procurement;
- (3) Specifying that with respect to construction project bids with a total estimated contract value of \$1,000,000 or more, UH must require each bidder to submit a list of subcontractors who will perform work with a value exceeding one percent rather than five percent of the total bid amount;
- (4) Extending UH's exemption from the Procurement Code until December 31, 2012, rather than July 1, 2014;
- (5) Authorizing the Administrator of the State Procurement Office to determine corrective actions in the case of a complaint filed with the State Procurement Office regarding procurement at UH;

- (6) Subjecting UH to the provisions of section 103D-206, Hawaii Revised Statutes, which authorizes the Administrator of the State Procurement Office to, among other things:
- (A) Perform periodic reviews of UH procurement practices;
  - (B) Assist, advise, and guide UH in procurement matters; and
  - (C) Determine corrective actions;
- 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1189 Higher Education on S.B. No. 239**

The purpose of this bill is to address the use of tobacco settlement moneys by:

- (1) Extending the John A. Burns School of Medicine's (JABSOM) authorization to use a certain portion of its share of Hawaii Tobacco Settlement Fund moneys for operating expenses until 2015 while reducing this portion by an unspecified percentage each fiscal year until the fiscal year ending June 30, 2015;
- (2) Establishing the University of Hawaii School of Public Health Special Fund to finance the establishment of a School of Public Health; and
- (3) Directing the reduced portion of JABSOM's share of Hawaii Tobacco Settlement Fund moneys allowed for operating expenses into the University of Hawaii School of Public Health Special Fund.

The Hawaii Medical Association and a concerned individual supported this bill. The University of Hawaii, University of Hawaii Cancer Center, Hawaii Pacific Health, Kalihi-Palama Health Center, and The Chamber of Commerce of Hawaii supported this measure with amendments. The Coalition for a Tobacco-Free Hawaii opposed this bill. The Department of Health, Department of Budget and Finance, American Heart Association, and American Cancer Society Hawaii Pacific, Inc., provided comments.

Your Committee has amended this bill by:

- (1) Establishing the Hawaii Medical Doctor Loan Program and a special fund to support the program;
- (2) Establishing the Hilo Medical Center Rural Interdisciplinary Residency Program and a special fund to implement and sustain the program;
- (3) Directing the reduced portion of JABSOM's share of Hawaii Tobacco Settlement Fund moneys allowed for operating expenses into the University of Hawaii School of Public Health Special Fund, Hawaii Medical Doctor Loan Program Special Fund, and Hilo Medical Center Rural Interdisciplinary Residency Program Special Fund in unspecified percentages; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 239, 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. 239, S.D. 2, H.D. 2.

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

**SCRep. 1190 Housing on S.B. No. 654**

The purpose of this bill is to provide a boost to the construction industry by establishing a refundable ohana residential housing income tax credit for qualified taxpayers that purchase a qualified principal residence on or after April 1, 2011, and before January 1, 2013.

The Building Industry Association of Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Association of REALTORS testified in support of this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Inserting language establishing a tax credit for residential construction and remodeling projects, with certain restrictions;
- (2) Making the refundable Ohana Residential Housing Income Tax Credit a non-refundable credit;

- (3) Making the tax credit applicable to taxable years beginning after December 31, 2010, and ending prior to January 1, 2015; 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. 654, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 654, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1191      Housing/Human Services on S.B. No. 900**

The purpose of this bill is to establish the Hawaii Interagency Council on Homelessness and to appropriate funds for administrative expenses.

The Hawaii Public Housing Authority (HPHA) and Hawaii Association of REALTORS testified in support of this bill. Catholic Charities Hawaii and Partners In Care supported the intent of this measure. Helping Hands Hawaii supported this bill with amendments. The Department of Human Services (DHS), Roman Catholic Diocese of Honolulu, and United States Veterans Initiative provided comments.

Your Committees circulated a proposed draft prior to the public hearing that replaces the contents of the bill as received with provisions that appropriate funds to establish safe havens for persons who are homeless in designated existing parks and open or vacant locations.

The Chairman of the Democratic Party of Hawai'i testified in support of the proposed draft. Partners In Care provided comments on the proposed draft.

Your Committees have amended this bill by adopting the proposed draft and further amending it by:

- (1) Deleting reference to parks and specifying that surplus or available open or vacant locations be used; and
- (2) Requiring DHS to adopt rules to establish and implement the safe havens.

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

Your Committees note that while it is under the purview of your Committee on Finance to consider the fiscal impacts of the bill, your Committees encourage HPHA to pursue alternative funding should general funds not be available to implement the provisions of this measure.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 900, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 900, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Chang, Ito, Nakashima, Ching and Thielen.

**SCRep. 1192      Health on S.B. No. 892**

The purpose of this bill is to update and conform State law to the federal Americans with Disabilities Act and Fair Housing Act by amending certain laws regarding the use of service animals in statutes relating to dog licensing, public conveyances, and discriminatory practices in real estate transactions.

The Disability and Communication Access Board, Hawaii Civil Rights Commission, and a concerned individual supported this bill. The City and County of Honolulu Department of Human Resources offered comments.

Your Committee has amended this bill by:

- (1) Deleting reference to psychiatric disability in the definition of "service dog";
- (2) Deleting statutory provisions relating to the right to use life jackets and flotation devices for every physically handicapped person in a public swimming pool, and related paragraphs, since it is unrelated to public conveyances and service animals; and
- (3) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, 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 C. Lee.

**SCRep. 1193      Economic Revitalization & Business/Judiciary on S.B. No. 755**

The purpose of this measure is to stimulate Hawaii's economy by establishing an annual exemption from the general excise tax on retail sales of certain back-to-school items during a five-day period in late July.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 of the measure that would delete its contents and insert language that authorizes major events such as the World Series of Poker or similar tournaments. The proposed draft would also authorize the issuance of two licenses to conduct similar activities via internet sites hosted in Hawaii. These activities would not constitute casino-type gambling because they would be limited to contests of skill and would be conducted on a peer-to-peer basis in which each participant would take all of the participant's winnings and no third party would have a stake in the outcome of the games.

Your Committees received testimony in support of the S.D. 2 from the Chamber of Commerce of Hawaii and the Retail Merchants of Hawaii. The Tax Foundation of Hawaii submitted comments. Your Committees received testimony in support of the proposed H.D. 1 from fourteen individuals. The Director of Business, Economic Development, and Tourism submitted testimony in support of the intent of the measure. The Office of Information Practices submitted comments.

Your Committees find that peer-to-peer entertainment events would attract participants, their families, and fans to Hawaii for the weeks-long duration of the events and augment tourism-revenues recently diminished by global political unrest and natural disasters. The internet operations would yield a minimum license fee of \$100,000,000 each, twenty per cent of wagers, and free online advertising for the State's tourism industry. Your Committees further find that these peer-to-peer events and their internet analogues would not give rise to the social ills that can attend gambling activities or require expenditures to ameliorate those social ills.

Your Committees have amended this measure by adopting the proposed H.D. 1 with the following further amendments:

- (1) Replacing references to peer-to-peer gaming with references to peer-to-peer entertainment to emphasize that the measure authorizes only contests of skill with no "house";
- (2) Clarifying that the authority of the peer-to-peer entertainment commission is limited to peer-to-peer contests of skill and that it may not authorize establishment of casinos, card rooms, or similar gambling operations;
- (3) Clarifying the authority of the peer-to-peer entertainment commission with regard to regulation of events and those that conduct them, including the authority to establish permit fees and adopt rules relating to insurance and tax-compliance requirements for event operators, the type and size of venues in which the events are to be held, minimum number of participants required, and maximum duration of events;
- (4) Clarifying that participation in contests of skill in the course of peer-to-peer entertainment is limited to live participants; and
- (5) Making other technical amendments for consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 755, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 755, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla, Carroll, Nishimoto, B. Oshiro and Pine.  
(Representatives Fontaine, Marumoto and Thielen voted no.)

#### **SCRep. 1194 Economic Revitalization & Business on S.B. No. 318**

The purpose of this measure is to encourage business development in Hawaii through the growth of the film industry by providing enhanced incentives that attract more film and television productions to Hawaii, thereby generating increased tax revenues.

Testimony in support of the measure was submitted by the Mayor of the County of Maui; Hawaii Building and Construction Trades Council; International Alliance of Theatrical Stage Employees, Local 665; Plumbers and Fitters Union, Local 675; Relativity Media, LLC; and a private individual. Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development, and Tourism. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that H.B. No 1551, H.D. 2, also addresses business development by providing enhanced incentives to encourage growth of Hawaii's film industry. More specifically, H.B. No. 1551, H.D. 2:

- (1) Provides a tax credit for qualified media infrastructure projects; and
- (2) Establishes a qualified persons crew training program rebate.

Your Committee further finds that partially funding the qualified media infrastructure tax credit from county transient accommodations tax allocations and providing the mayor and county council of each county with the authority to approve qualified media infrastructure projects that are proposed to be located in their respective county would allow the counties an opportunity to determine whether a qualified media infrastructure project would be beneficial to the local economy.

Your Committee has amended this measure by replacing its contents with the contents of H.B. No. 1551, H.D. 2, and further amending the measure by:

- (1) Requiring that an unspecified percentage of the qualified media infrastructure tax credit be funded by the transient accommodations tax credit allocation of the county in which the qualified media infrastructure project is to be located, subject to a letter of approval of the project issued by the mayor and council of the county; and
- (2) Changing the effective date to July 1, 2012, to facilitate further discussion on the measure.



As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 318, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 318, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower and Tokioka.

**SCRep. 1195 Economic Revitalization & Business on S.B. No. 779**

The purpose and intent of this measure is to authorize agency procurement officers to use a design-build procurement method for complex construction project contracts that may require high costs to be expended in preparing the proposal.

In addition, the measure allows for the pre-qualification of a shortlist of design-build offerors and provides for the payment of a conceptual design fee to unsuccessful offerors.

Testimony in support of this measure was submitted by the Department of Accounting and General Services; Department of Education; Ralph S. Inouye, Co., Ltd.; Belt Collins Hawaii, Ltd.; American Institute of Architects, Kennedy/Jenks Consultants; GCA of Hawaii; Engineering Concepts, Inc.; Design Build Institute of America - Western Pacific Region; KAI Hawaii, Inc.; HDR Engineering, Inc.; Brown and Caldwell; Fukunaga & Associates, Inc.; Community Planning and Engineering, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; Pacific Geotechnical Engineers, Inc.; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; American Council of Engineering Companies of Hawaii; Consulting Structural Hawaii, Inc.; Thermal Engineering Corporation; and Nordic PCL Construction, Inc. Testimony in support of the intent of this measure was submitted by the Department of Transportation and the State Procurement Office.

Your Committee finds that the two-step design-build procurement process proposed by this measure would improve selection of proposals for complex construction projects and allow agencies to choose the most qualified offerors. In addition, the payment of a conceptual design fee would provide an incentive for smaller local firms to submit proposals and more effectively compete with larger national design and construction firms for public contracts.

Your Committee has amended this measure by:

- (1) Replacing its contents with the contents of House Bill No. 985, H.D. 2., which also relates to the design-build process for procurement;
- (2) Moving and further clarifying the requirements for the design-build procurement process from section 103D-303(b), Hawaii Revised Statutes, to a new subsection (i);
- (3) Eliminating the project cost and complexity triggers that would authorize a procurement officer to use the design-build method;
- (4) Clarifying that the design-build method is a two-step process;
- (5) Changing the effective date to July 1, 2112; and
- (6) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 1196 Economic Revitalization & Business on S.B. No. 1107**

The purpose of this bill is to exempt from the general excise tax (GET) amounts received by:

- (1) A common paymaster that are disbursed as remuneration to employees of two or more related persons where the common paymaster is making the remunerations on behalf of the related persons; and
- (2) A related or indirectly related management entity managing the business of the affiliates.

The Chamber of Commerce of Hawaii supported this bill. The Department of Taxation (DOTAX) opposed this bill. Tax Foundation of Hawaii and a concerned individual submitted comments.

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

- (1) In lieu of a related or indirectly related management entity managing the business of the affiliates, applying the GET exemption to amounts received by a related entity;
- (2) Deleting the GET exemption for amounts received by a common paymaster that are disbursed as remuneration to employees of two or more related persons where the common paymaster is making the remunerations on behalf of the related persons;
- (3) Inserting the substance of House Bill No. 801, H.D. 2, Regular Session of 2011, which:

- (A) Specifies that the Director may subpoena witnesses, examine them under oath, and require the production of books, papers, documents, or other records, including electronic records, that are material or relevant to a criminal investigation conducted by the Director;
  - (B) Establishes parameters for the use of subpoena powers in criminal investigations conducted by the Director;
  - (C) Requires DOTAX to reimburse a financial institution that is served a subpoena for costs incurred as a result of the subpoena; and
  - (D) Stipulates that compliance with a subpoena issued by DOTAX shall not give rise to a civil action for damages against an individual who has complied with the subpoena;
- (4) Changing its effective date to July 1, 2112, to encourage further discussion; and
  - (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1107, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Brower.

**SCRep. 1197      Judiciary on S.B. No. 986**

The purpose of this bill is to address issues of disproportionate representation and equity within the criminal justice system by establishing a task force to study and formulate policies and procedures to reduce the unnecessary involvement of individuals, particularly Native Hawaiians, with the system.

The Office of Hawaiian Affairs, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, Aha Kiole Advisory Committee, and a concerned individual supported this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported this measure with amendments. The Judiciary provided comments.

Your Committee has amended this bill by:

- (1) Focusing the Task Force on disproportionate impact, rather than disparate treatment;
- (2) Removing language requiring consideration of and recommendations on specific strategies;
- (3) Replacing the community member on the Task Force with a representative from the Department of the Prosecuting Attorney of the City and County of Honolulu; 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. 986, 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. 986, S.D. 2, H.D. 2.

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

**SCRep. 1198      Judiciary on S.B. No. 1458**

The purpose of this bill is to establish a regulated distribution program for medical marijuana by:

- (1) Establishing a five-year medical marijuana distribution pilot program within the Department of Health (DOH) established and implemented in Maui County to license one compassion center to distribute medical marijuana to qualified patients; and
- (2) Authorizing DOH to conduct criminal history record checks on applicants for compassion care center licenses.

The Pacific Wellness Coalition, National Association of Reformed Criminals, and many concerned individuals supported this measure. The Drug Policy Action Group, Community Alliance on Prisons, The Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Law Enforcement Against Prohibition, Big Island Chapter of Americans for Access, Friends 4 Justice, Kahuna Compassion Consulting, LLC., and numerous concerned individuals supported this bill with amendments. DOH, Department of Public Safety (PSD), The Department of the Prosecuting Attorney of the City and County of Honolulu, Maui Police Department, Hawaii Police Department, County of Kauai, Honolulu Police Department, Coalition for a Drug-Free Hawaii, Maui Interscholastic League, Paukukalo Hawaiian Homes Commission Association, Medicine Buddhas and Bodhisattvas, and numerous concerned individuals opposed this measure. Hawaii Youth Services Network and many concerned individuals commented on this bill.

Your Committee has amended this bill by:

- (1) Replacing DOH with PSD as the supervising agency for the pilot project;
- (2) Changing the pilot project's location to an unspecified site;

- (3) Defining "compassion center" and "compassion care center" to be interchangeable;
- (4) Changing the definition of "department" to mean PSD;
- (5) Clarifying references to qualified patients to establish that "primary caregiver" and "qualifying patient" are defined under section 329-121, Hawaii Revised Statutes;
- (6) Requiring PSD to assess and collect an unspecified fee;
- (7) Authorizing PSD to convene a task force to study and advise in the drafting of PSD's administrative rules for the pilot program; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1458, 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. 1458, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll and Souki.  
(Representatives Fontaine and Marumoto voted no.)

**SCRep. 1199      Judiciary on S.B. No. 1**

The purpose of this bill is to recognize native Hawaiians as the only indigenous, aboriginal, maoli population of Hawaii and to support the organization of a native Hawaiian governing entity. Among other things, this measure:

- (1) Establishes a nine-member native Hawaiian Roll Commission (Commission) to:
  - (A) Prepare and maintain a roll of qualified native Hawaiians; and
  - (B) Certify that the individuals on the roll meet the definition of qualified native Hawaiians;
- (2) Defines a "qualified native Hawaiian" as an individual who the Commission determines meets certain established criteria;
- (3) Requires the Commission to publish notice of the certification of the qualified native Hawaiian roll, update the qualified native Hawaiian roll as necessary, and publish notice of the updated roll;
- (4) Provides for a native Hawaiian convention, which may be commenced by qualified native Hawaiians following the publication of the roll of qualified native Hawaiians;
- (5) Requires the Governor to dissolve the Commission upon being informed by the Commission that they have published notice of the updated roll; and
- (6) Appropriates unspecified funds to be expended by the Office of Hawaiian Affairs.

The Department of Hawaiian Home Lands, Association of Hawaiian Civic Clubs, Aha Kiole Advisory Committee, Sovereign Councils of the Hawaiian Homelands Assembly, Office of Hawaiian Affairs, Maunaloa Hawaii Civic Club, and several concerned individuals testified in support of this bill. The Native Hawaiian Convention and several concerned individuals testified in opposition to this measure. A concerned individual provided comments.

Your Committee respectfully urges the Committee on Finance to examine section 4 of this bill relating to the appropriation of funds, so that the actual source of funding for this measure may be clarified.

Your Committee has amended this bill by:

- (1) Revising the term "native Hawaiians" to read "Native Hawaiians", except when in reference to the language of the public land trust provision of the 1959 Admission Act, based on testimony from the Office of Hawaiian Affairs, so that issues of blood quantum do not arise;
- (2) Changing its effective date to January 7, 2059, to encourage further discussion; and
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, 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. 1, S.D. 2, H.D. 2.

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

**SCRep. 1200      Judiciary on S.B. No. 1076**

The purpose of this measure is to make it an unlawful practice for any employer or labor organization with more than 100 employees and subject to a collective bargaining agreement to bar or discharge from employment, withhold pay from, or demote an employee solely because the employee

legitimately uses accrued and available sick leave, except for abuse of sick leave or if the employee is unable to fulfill the essential job functions or requirements of the employee's position.

The Hawaii Laborers' Union, International Brotherhood of Electrical Workers Local 1260, ILWU Local 142, Hawaii Government Employees Association, IBEW, Plumbers and Fitters, Local 675, and IBEW Local Union 1357 testified in support of this measure. The Department of Labor and Industrial Relations supported the intent of this bill. The Hawaii State AFL-CIO supported this measure with amendments. The National Federation of Independent Business, Society for Human Resource Management–Hawaii Chapter, The Chamber of Commerce of Hawaii, Hawaiian Telcom, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Limited, and General Contractors Association of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Incorporating language from subsection (c) into subsection (b) to clarify that an employer's authority to take adverse action against an employee who is unable to fulfill the essential job functions applies only to the sick leave provisions and not the full statute;
- (2) Adding language to clarify that any adverse action taken by an employer for an employee's failure to fulfill the essential job functions must be in compliance with state, federal, and county laws prohibiting such action, including Worker's Compensation, Temporary Disability, federal Family and Medical Leave, and Hawaii Family and Medical Leave;
- (3) Establishing that collective bargaining agreements will govern where they provide greater sick leave benefits;
- (4) Changing the effective date to July 1, 2011; 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. 1076, 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. 1076, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Carroll.  
(Representative Marumoto voted no.)

#### **SCRep. 1201      Judiciary on S.B. No. 934**

The purpose of this bill to provide greater protections for Hawaii's children, in and out of school settings, by:

- (1) Requiring all public and charter schools to establish and implement a bullying and cyberbullying policy, including the following minimum components:
  - (A) Notice;
  - (B) Reporting and investigation procedures and requirements;
  - (C) Penalties, remedies, and victim assistance; and
  - (D) Training and assessment;
 and
- (2) Requiring the Department of Education (DOE) and the Charter School Review Panel to each submit an annual report to the Legislature.

DOE; the Department of the Prosecuting Attorney of the City and County of Honolulu; Hawaii Youth Services Network; Hawaii State Teachers Association; The Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii; Pride At Work Hawaii; Imua Alliance; a member of the Hawaii Safe Schools Coalition; and many concerned individuals testified in support of this measure. A member of the Hawaii State Board of Education, and several concerned individuals supported this bill with amendments. The American Civil Liberties Union of Hawaii opposed this bill. A concerned individual commented on this measure.

Your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Requires all public and charter schools to maintain and monitor an anti-bullying and anti-harassment policy for grades kindergarten through 12 to govern all conduct occurring on all elementary and secondary school premises, at any school-sponsored functions or activities, and on school-sponsored transportation, and for technology usage and electronic communications that occur on all public and charter schools elementary and secondary school premises, and on school computers, networks, forums, and mailing lists, which includes, among other things, the following minimum components:
  - (A) Effectively publicizing the policies established, including placement in new employee training materials, student handbooks, and any other publications that set forth comprehensive rules, procedures, and standards of conduct for schools;
  - (B) Making statewide statistics concerning bullying, cyberbullying, and harassment available to the public;

- (C) Establishing a process for filing of complaints against complex areas and schools upon their failure to implement or uphold the policy;
  - (D) Requiring school employees and trained volunteers who witness incidents of bullying, cyberbullying, or harassment, or possess reliable information that a person is being targeted for bullying, cyberbullying, or harassment to report the incidents or information to the school principal, complex area superintendent, or superintendent;
  - (E) Prohibiting reprisal or retaliation against any person who reports bullying, cyberbullying, or harassment;
  - (F) Collecting, reporting, and analyzing, at least on an annual basis, data on incidents of bullying, cyberbullying, and harassment; and
  - (G) Establishing a school community culture that integrates the aloha spirit and peace promoting elements into school curriculum; and
- (2) Changing the effective date to July 1, 2050, except for the provisions requiring DOE to submit a report to the Legislature which will take effect upon approval, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 934, 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. 934, S.D. 2, H.D. 2.

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

**SCRep. 1202      Judiciary/Consumer Protection & Commerce on S.B. No. 595**

The purpose of this bill is to help maintain the availability of health care in Hawaii by establishing a tax credit for physicians or clinics that treat Medicaid patients, serve rural areas, or respond to emergency calls.

The Hawaii Medical Association, Healthcare Association of Hawaii, and Hawaii Medical Service Association supported this bill. The Tax Foundation of Hawaii offered comments.

Your Committees have amended this measure by:

- (1) Removing the availability of the tax credit to rural providers or emergency care providers without regard to their Medicaid patient caseload, and making the tax credit available based solely on whether a provider's total Medicaid patient caseload meets an unspecified percentage;
- (2) Deleting the provision that allowed for the tax credit to be refunded to the physician or clinic; 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 Judiciary and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 595, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 595, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito, McKelvey and Ching.

**SCRep. 1203      Human Services/Health on S.B. No. 1468**

The purpose of this bill is to improve the Medicaid health care system by delivering comprehensive, integrated, and holistic health care services to patients, including preventative and lifestyle health services by establishing:

- (1) The Hawaii Patient-Centered Health Home Pilot Program (Pilot Program) within the Medicaid program; and
- (2) A temporary Hawaii Medicaid Modernization and Innovation Council (Council) within the Department of Human Services (DHS) to develop and implement the Pilot Program.

The Hawaii Primary Care Association, Hawaii Medical Association, Hamakua Health Center, Inc., AlohaCare, Healthcare Association of Hawaii, About Face Family of Programs, and several concerned individuals supported this bill. The Hawaii Medical Service Association supported the intent. A concerned individual supported this bill with amendments. DHS opposed this measure. The Ohana Health Plan and a concerned individual provided comments.

Your Committees received testimony submitted by DHS stating that this bill will require funding and there are concerns about an adverse impact to DHS' priorities as indicated in the Governor's Executive Biennium Budget. DHS also points out that the establishment of a council or task force that exists in an advisory capacity as a forum for DHS to receive stakeholder input would be very valuable, and this would likely obviate the need for funding.

Moreover, this bill allows the Council to appoint an Executive Director and set a salary not to exceed the salary of the Deputy Director of DHS, which is approximately \$95,000.

Your Committees find that before mandating the establishment and implementation of the Pilot Program, that the matter should first be examined due to prudence and the conservation of limited resources. Accordingly, your Committees have amended this bill by eliminating the Council and authorizing the establishment of a Hawaii Medicaid Modernization and Innovation Task Force (Task Force) that may develop and implement the Pilot Program. Among other things, the amendments:

- (1) Establish the Task Force membership to include the same members of the Council, except for the addition of the Chairpersons of the committees with jurisdiction over human services and health of the respective houses of the Legislature, or the Chairpersons' designees;
- (2) Require Task Force members to serve without compensation and receive no reimbursements for expenses; and
- (3) Allow the Task Force to solicit monetary gifts and donations to offset the costs and expenses of the Task Force.

Your Committees have also amended this bill by:

- (1) Authorizing a program to be established within the appropriate agency to encourage Hawaii residents with advance health-care directives to maintain a copy on their person;
- (2) Providing that:
  - (A) A managed care plan or provider offering services under any QUEST program should not modify reimbursement policies, guidelines, interpretation, or positions adopted by Medicaid or any agent, without providing a 90-day prior written notice of such change to any affected health care provider; and
  - (B) Modifications may not be applied retroactively if it would have the effect of reducing reimbursements previously made to the health care providers if prior approval for reimbursement was obtained through Medicaid;

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 S.B. No. 1468, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1468, 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 Ching.

**SCRep. 1204 Hawaiian Affairs on S.B. No. 2**

The purpose of this bill is to more accurately and efficiently manage public land trust lands in accordance with the requirements of the Hawaii State Constitution and the Admission Act by requiring the Department of Land and Natural Resources (DLNR) to initiate and coordinate all efforts to establish a public land trust information system, including, among other things, a determination of the type of information about each parcel of land to be included.

This measure also appropriates an unspecified amount for the establishment and maintenance of a computerized, comprehensive statewide public land trust inventory database.

Papa Ola Lokahi and the Association of Hawaiian Civic Clubs supported this bill. DLNR, the Department of the Attorney General, and Office of Hawaiian Affairs 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 is in accord with the intent and purpose of S.B. No. 2, 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 Jordan, Mizuno, Morikawa and Pine.

**SCRep. 1205 Hawaiian Affairs/Culture & the Arts on S.B. No. 261**

The purpose of this bill is to establish a Museum of Hawaiian Music and Dance to preserve and perpetuate Hawaiian culture and to appropriate funds for the design and construction of the museum.

The State Foundation on Culture and the Arts, Hawaii Tourism Authority, and several concerned individuals testified in support of this bill. The Office of Hawaiian Affairs (OHA) supported the intent of this measure. A concerned individual opposed this bill. A concerned individual provided comments.

Your Committees have amended this bill by:

- (1) Changing the name of the museum to the Museum of Music, Dance, and Cultural Arts;
- (2) Adding the Chief Executive Officer, or designee, of OHA as a member of the committee;
- (3) Establishing a 21-member task force to develop the museum;

- (4) Requiring that funds be matched by private and federal sources; 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 Hawaiian Affairs and Culture & the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 261, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 261, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1206 Hawaiian Affairs/Culture & the Arts on S.B. No. 116**

The purpose of this bill is to nurture and support Hawaiian culture by authorizing the Hawaii Tourism Authority (HTA) to support and promote traditional Hawaiian arts and cultural activities, including Hawaiian music, dance, and arts and crafts.

HTA, the Office of Hawaiian Affairs, and Papa Ola Lokahi supported this bill.

Your Committees have amended this bill by:

- (1) Requiring HTA to:
  - (A) Consider establishing or designating a place in which the residents of Hawaii, particularly native Hawaiians, can gather to take part in, support, and promote traditional Hawaiian arts and cultural activities, such as traditional Hawaiian music, dance, and arts and crafts; and
  - (B) Submit a report of its findings and recommendations to the Legislature no later than 20 days prior to the Regular Session of 2012;

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 Culture & the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 116, 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. 116, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

**SCRep. 1207 Consumer Protection & Commerce/Judiciary on S.B. No. 651**

The purpose of this bill is to give a mortgagor the power to require a foreclosing mortgagee to engage in dispute resolution with the mortgagor prior to a judicial or nonjudicial mortgage foreclosure in an effort to avoid foreclosure or mitigate damages if foreclosure is unavoidable.

The Maui Filipino Working Group, Faith in Action for Community Equity, Progressive Democrats of Hawaii, the Legal Aid Society of Hawaii, and numerous individuals supported this bill. The Department of Commerce and Consumer Affairs supported the bill with some concerns. The Judiciary supported the intent of the measure. The Mortgage Bankers Association of Hawaii, the Hawaii Financial Services Association, the Hawaii Credit Union League, the Hawaii Bankers Association, and a couple concerned individuals opposed the bill. The Department of Land and Natural Resources, the Community Associations Institute – Hawaii Chapter, the Hawaii Association of REALTORS®, Hawaii Financial Services Association, the Nonprofit Federation of the Direct Marketing Association, and a couple concerned individuals provided comments.

Your Committees find that this measure establishes a dispute resolution process to address the abuses in the mortgage industry and the foreclosure crisis currently facing the State. However, your Committees recognize that dispute resolution is not a complete answer and would work most effectively within a tighter regulatory framework to ensure that foreclosing mortgagees and their agents comply with their legal and contractual obligations. Your Committees further recognize that the foreclosure crisis is a complicated issue and that meaningful legislation must strike the right balance to give homeowners that have fallen on hard times the opportunity to meet with their lenders to reach a mutually agreeable arrangement while avoiding depressing the local mortgage lending industry and overburdening the courts.

Your Committees have amended this measure by deleting its contents and replacing it generally with the contents of H.B. No. 1411, H.D. 2, which will retain dispute resolution provisions.

As amended, this measure:

- (1) Repeals the old nonjudicial foreclosure process;
- (2) Clarifies the new nonjudicial foreclosure process;
- (3) Strengthens laws regarding mortgage servicers; and
- (4) Broadens the duties of the Center for Alternative Dispute Resolution.

Furthermore, your Committees have amended the contents of H.B. No. 1411, H.D. 2, that were inserted into this measure by, among other things:

- (1) Limiting the applicability of the dispute resolution provisions to nonjudicial foreclosures;
- (2) Deleting provisions that require the foreclosing mortgagee to maintain the mortgaged property;
- (3) Adding provisions for a 45 day phase-in period for conversions;
- (4) Modifying the effective date for the dispute resolution provisions; and
- (5) Adding a repeal date for the conversion provisions.

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. 651, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and Ching.

**SCRep. 1208 Consumer Protection & Commerce/Judiciary on S.B. No. 652**

The purpose of this bill is to address concerns with the current foreclosure process in this state by implementing the recommendations of the Mortgage Foreclosure Task Force in its preliminary report submitted to the Legislature of the Regular Session of 2011. As amended, this bill, among other things:

- (1) Requires that the notice of intent to foreclose under power of sale be served not less than 21 days before the date of sale and must be served on all persons entitled to notice in the same manner as required for service of a civil complaint;
- (2) Prohibits pursuit of a deficiency judgment by a mortgagee against certain owner-occupants of a residential property that was foreclosed on under power of sale;
- (3) Allows an owner-occupant of a residential property subject to a foreclosure under power of sale to convert the action into a foreclosure by action;
- (4) Specifies that public sales of real property pursuant to a nonjudicial power of sale foreclosure must be held at the state building in the county seat of the county where the property is located; and
- (5) Specifies that a mortgagor's interest is extinguished upon recordation of the affidavit in the Bureau of Conveyances or in the Land Court within 30 days of the sale.

The Department of Commerce and Consumer Affairs, the Hawaii Association of REALTORS®, the Mortgage Bankers Association of Hawaii, the Legal Aid Society of Hawaii, the Hawaii Financial Services Association, the Mililani Town Association, and several concerned individuals supported the bill. The Hawaii Bankers Association and the Hawaii Credit Union League supported this measure with reservations. The Judiciary opposed this bill. The Community Associations Institute-Hawaii Chapter 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. 652, 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 Carroll, Ito, McKelvey and Ching.

**SCRep. 1209 Consumer Protection & Commerce/Judiciary on S.B. No. 1274**

The purpose of this bill is to update the Patients' Bill of Rights and Responsibilities Act to conform to federal law by establishing uniform standards for external review procedures to ensure that state-based procedures will not be preempted by federal regulation.

Kaiser Foundation Health Plan, Inc.; the Department of Commerce and Consumer Affairs; and Ohana Health Plan supported the bill. Hawaii Medical Association and numerous individuals opposed this measure. Faith Action for Community Equity provided comments.

Your Committees urge the parties to work together to discuss additional protections as this bill moves forward.

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

- (1) Providing that an opinion for an external review may be requested from more than one clinical reviewer and providing procedures for the reviewers to make their decision;
- (2) Ensuring that each clinical reviewer reviews all of the information and documents required to be provided by the health carrier and any other information submitted by the enrollee;
- (3) Clarifying the procurement exemption of the independent review organization selection process; and
- (4) Changing the effective date to July 1, 2011.



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. 1274, 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. 1274, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and Ching.

**SCRep. 1210 Consumer Protection & Commerce/Judiciary on S.B. No. 1519**

The purpose of this bill is to update the Secure and Fair Enforcement for Mortgage Licensing Act with regard to mortgage loan originators.

The Mortgage Bankers Association of Hawaii testified in support of this bill. The Hawaii Financial Services Association opposed this measure. The Department of Commerce and Consumer Affairs, Office of Information Practices, Hawaii Association of Mortgage Brokers, and a concerned individual provided comments.

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

- (1) Removing provisions relating to tangible net benefits;
- (2) Deleting sections and paragraphs providing for state regulations that will be regulated by the Federal Reserve Board beginning April 1, 2011;
- (3) Removing confidentiality provisions, as the Office of Information Protection states that licensees' confidential information will be protected by existing state law;
- (4) Requiring that advertisements for terms of residential mortgage loans must also include the loan amount, the annual percentage rate, and monthly payment unless the licensee is able to make the advertised loan and terms available to well-qualified applicants;
- (5) Making amendments to correct certain provisions;
- (6) Changing its effective date to "upon approval"; 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 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. 1519, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1211 Labor & Public Employment on S.B. No. 1269**

The purpose of this bill is to:

- (1) Amend the definition of "compensation" and add a new definition of "additional compensation" for calculating Employees' Retirement System (ERS) benefits;
- (2) Provide that compensation means regular compensation and additional compensation for individuals who become ERS members before July 1, 2011;
- (3) Establish a gradual stepped-down calculation for additional compensation for ERS members who are members as of June 30, 2011; and
- (4) Exclude "additional compensation," as defined under Chapter 88, Hawaii Revised Statutes, the pension and retirement systems law, from ERS compensation for individuals who become ERS members on or after July 1, 2011.

The Department of Budget and Finance, ERS, City and County of Honolulu, and Hawaii State Teachers Association commented on this bill. The Department of Labor and Industrial Relations; County of Maui Department of Fire & Public Safety; a member of the State Fire Council; City and County of Honolulu Police Department; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; and several individuals testified in opposition to this measure.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions, the purpose of which is to specify that for ERS service after June 30, 2011, compensation to an employee or an officer includes:

- (1) Normal periodic payments of money for services performed, accrued on an hourly, daily, monthly, or annual basis and additional payments for time worked that is required by the employer;
- (2) Shortage differentials;
- (3) Elective salary reduction contributions under Sections 125, 403(b), and 457(b) of the Internal Revenue Code of 1986, as amended; and

- (4) Twelve-month differentials for employees of the Department of Education.

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. 1269, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1269, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Fontaine and Johanson voted no.)

**SCRep. 1212 Labor & Public Employment on S.B. No. 1341**

The purpose of this bill is to establish a certain date to which changes affecting state and county employee retirement benefits and calculations under the Employees' Retirement System (ERS) will be applied, as follows:

- (1) Raise the employee contribution rates into the ERS after a certain date;
- (2) Specify conditions in which individuals who become ERS members can obtain ERS membership service credit for individuals who become ERS members after a certain date;
- (3) Increase the vesting period from five to ten years and the years of credited service for individuals who become ERS members, and judges who earn credited service, after a certain date;
- (4) Reduce the allowance on service retirement for individuals who become ERS members or elective officers, and judges who earn credited service, after a certain date;
- (5) Specify a retirement age for state and county employees who become ERS members after a certain date;
- (6) Increase the period for calculating average final compensation from three years to five years; and
- (7) Specify the post retirement allowance for employees who become ERS members after a certain date.

Imua Alliance testified in support of this bill. The ERS Board of Trustees testified in support of this bill, with suggested amendments. The Hawaii State Teachers Association and the Hawaii Fire fights Association, Local 1463, IAFF, AFL-CIO testified in opposition to this measure. The City and County of Honolulu submitted comments.

Upon careful consideration, your Committee has amended this bill by replacing its contents and inserting the provisions contained in H.B. No. 1038, H.D. 2, which are similar to the provisions of this bill, but also include:

- (1) Establishing a pre-July 1, 2012, ERS membership date and a post-June 30, 2012, ERS membership date, to which different conditions and requirements to ERS membership will apply, including:
  - (A) Employee contributions to the ERS;
  - (B) ERS membership service credit;
  - (C) The vesting period and years of credited service;
  - (D) Service retirement allowance;
  - (E) Retirement age for employees;
  - (F) Average final compensation calculation; and
  - (G) Post retirement allowance for employees;
- (2) Deleting the amendments to section 88-76, Hawaii Revised Statutes (HRS), with respect to the allowance on ordinary disability retirement;
- (3) Increasing the contribution rates for employer contributions to the ERS beginning in fiscal year 2012-2013;
- (4) Reducing the percentage of regular interest to be credited to a new employee's retirement account;
- (5) Requiring the ERS Board of Trustees to:
  - (A) Conduct a study to determine whether the percentage of regular interest, as defined in section 88-21, HRS, is appropriate;
  - (B) Compare that percentage against the guaranteed percentage of interest paid by other investment or saving vehicles during the fiscal year 2019-2020; and
  - (C) Submit a report of the study to the Legislature;
- (6) Reducing the investment yield assumption for the ERS to 7.75 percent for the fiscal year ending June 30, 2011; and

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1341, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1341, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1213 Labor & Public Employment on S.B. No. 1066**

The purpose of this bill is to:

- (1) Transfer the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) from the Department of Budget and Finance (B&F) to the Department of Human Resources Development (DHRD);
- (2) Change the composition, size, quorum requirements, and appointment process of the EUTF Board of Trustees;
- (3) Enable the EUTF to hire attorneys, independent of the Attorney General's Office;
- (4) Establish a sub-board of EUTF Board of Trustees to administer an exclusive bargaining unit's contributions and benefits in the case when an exclusive bargaining representative negotiates a specific contribution that applies to only that bargaining unit; and
- (5) Have health and other benefits plans for active employees based on collectively bargained contributions from the employers and employees, for retirees based on legislative appropriations and the counties, and for other eligible beneficiaries based on the contribution from the employer and employees.

The United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this bill. The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO testified in strong support of this bill with suggested amendments. B&F, the Department of the Attorney General, and a concerned individual testified in opposition to this measure. DHRD, the State Procurement Office, the City and County of Honolulu Department of Budget & Fiscal Services, and a concerned individual commented on this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision that exempts the selection of benefit plan carriers from the Hawaii Public Procurement Code;
- (2) Changing the composition of the EUTF Board of Trustees to instead comprise:
  - (A) Six trustees, one each of whom shall represent Bargaining Units (2), (3), (4), (6), (8), (9), and (13); Bargaining Unit (5); Bargaining Unit (7); Bargaining Units (1) and (10); and Bargaining Units (11) and (12); and
  - (B) Six trustees to represent public employers, of which three are at-large trustees appointed by the governor to represent the State Administration; one trustee is nominated by the University of Hawaii Board of Regents and appointed by the governor; one trustee is nominated by the Board of Education and appointed by the governor; and one trustee is appointed by the mayors of the counties of Hawaii, Maui, and Kauai, and the mayor of the City and County of Honolulu;
- (3) Changing the process of selecting individuals to serve on the EUTF Board of Trustees, to instead have:
  - (A) Each trustee representing employee-beneficiaries for a bargaining unit appointed by the governor from a list of three candidates submitted to the governor by each exclusive bargaining representative for the exclusive bargaining representative's respective bargaining unit; and the trustee for retirees to be a state or county retiree and appointed by the governor; and
  - (B) Each at-large trustee representing public employers to be appointed by the governor;
- (4) Specifying that a vacancy on the EUTF Board shall be filled in the same manner as the member's initial appointment;
- (5) Specifying that all EUTF Board of Trustees shall have a fiduciary duty to the employee-beneficiaries of the EUTF;
- (6) Deleting provisions establishing the EUTF Board of Trustees sub-boards;
- (7) Repealing provisions relating to the appointment process of the Supreme Court Chief Justice to fill vacancies on the EUTF Board of Trustees;
- (8) Changing its effective date to July 1, 2011; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1066, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Luke.

**SCRep. 1214 Labor & Public Employment/Human Services on S.B. No. 229**

The purpose of this bill is to protect victims of domestic abuse by making it unlawful to discriminate against them in certain employment-related situations.

The American Civil Liberties Union of Hawaii, Hawaii State Coalition Against Domestic Violence, and several concerned individuals supported this bill. Hale Na‘au Pono (Waianae Coast Community Mental Health Center) opposed this measure.

Your Committees have amended this bill by:

- (1) Requiring employers to provide reasonable accommodations in the workplace to employees who are victims of domestic abuse, as long as the reasonable accommodations do not cause undue hardship on the work operations of the employer;
- (2) Prior to the employers making reasonable accommodations, allowing an employer to request certain forms of verification from the employee of the employee's status as a victim of domestic abuse; 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 Labor & Public Employment and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 229, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 229, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Morikawa and Ching.

**SCRep. 1215 Labor & Public Employment/Economic Revitalization & Business on S.B. No. 1221**

The purpose of this bill is to:

- (1) Specify certain sanctions for general contractors and subcontractors who fail to comply with sanctions under Chapter 103B, Hawaii Revised Statutes (HRS), relating to employment of state residents on construction procurement contracts law;
- (2) Authorize a contractor to withdraw a bid prior to an award of a contract if the contractor finds that it is unable to comply with the 80 percent Hawaii resident workforce requirement; and
- (3) Provide that a general contractor shall not be sanctioned for noncompliance by a subcontractor of the general contractor on the same contract.

The International Union of Painters and Allied Trades, District Council 50; and the Plumbers and Fitters Union, Local 675 testified in support of this bill. The Comptroller, General Contractors Association, and Ralph S. Inouye Co., Ltd. testified in support of the intent of this measure. The Department of Transportation and Legislative Committee of Associated Builders and Contractors, Hawaii Chapter testified in opposition to this measure.

Your Committees have amended this bill by:

- (1) Applying the sanction of withholding the final payment only to the general contractor; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1221, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Evans and Tokioka.

**SCRep. 1216 Labor & Public Employment/Economic Revitalization & Business on S.B. No. 1088**

The purpose of this bill is to:

- (1) Remove the eight-week limitation in which an individual may receive partial unemployment benefits;
- (2) Repeal the June 30, 2012, sunset date of provisions related to partial unemployment benefits;
- (3) Require, rather than make discretionary, the waiver of registration and work search requirements for individuals who are partially unemployed; and
- (4) Establish the conditions in which an individual shall not be disqualified for benefits for any week in which the individual separates involuntarily or voluntarily, with or without good cause, from a secondary employer offering part-time employment.

The Hawaii Government Employees Association, ILWU Local 142, and a concerned individual testified in support of this bill. The Chamber of Commerce of Hawaii and the General Contractors Association of Hawaii testified in opposition to this measure. The Department of Labor and Industrial Relations submitted comments.

Upon consideration, your Committees have amended this bill by:

- (1) Deleting the provision that specifies conditions in which an individual shall not be disqualified for benefits for any week in which the individual separates involuntarily or voluntarily, with or without good cause, from a secondary employer offering part-time employment;
- (2) Eliminating from the definition "attached to a regular employer" under section 383-1, Hawaii Revised Statutes, the condition of an employee having a reasonably imminent return to work date with the employee's regular employer;
- (3) Establishing conditions in which an individual who has established eligibility based on full-time employment may be found to have good cause for voluntarily separating from subsequent part-time employment; and
- (4) Changing its effective date from July 1, 2050, to July 1, 2011.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1088, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Nishimoto and Tokioka.

**SCRep. 1217      Judiciary on S.B. No. 1489**

The purpose of this bill is to allow attorney's liens to attach to proceedings after the commencement of an arbitration proceeding, and to orders, settlements, and awards resulting from an arbitration proceeding. In addition, this measure eliminates the filing deadline for attorney liens.

The Collection Law Section of the Hawaii State Bar Association testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1489, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1489, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Brower, Carroll, Ito and Fontaine.

**SCRep. 1218      Hawaiian Affairs on H.R. No. 56**

The purpose of this measure is to request the State to provide the delegates and officers of the Native Hawaiian Convention with the financial and other support needed to complete their work.

Several concerned individuals supported this concurrent resolution. The Association of Hawaiian Civic Clubs supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1219      Hawaiian Affairs on H.C.R. No. 63**

The purpose of this measure is to request the State to provide the delegates and officers of the Native Hawaiian Convention with the financial and other support needed to complete their work.

Several concerned individuals supported this concurrent resolution. The Association of Hawaiian Civic Clubs supported the intent of 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. 63 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1220      Labor & Public Employment on H.C.R. No. 146**

The purpose of this concurrent resolution is to request the Auditor to:

- (1) Conduct a management audit of the Hawaii Employer-Union Health Benefits Trust Fund; and

- (2) Submit the audit, with recommended statutory changes, to the Legislature by the convening of the Regular Session of 2012.

The Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO commented 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. 146 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives M. Lee, Saiki, Souki and Takumi.

**SCRep. 1221 Labor & Public Employment on H.C.R. No. 127**

The purpose of this concurrent resolution is to establish the Hawaii Government Employees Compensation Task Force (Task Force) to:

- (1) Examine how the compensation of state and county employees in the State compares with the compensation of government employees in other states and jurisdictions when factoring in the cost of living in Hawaii; and
- (2) Submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2012 Regular Session.

The Hawaii Health Systems Corporation (HHSC) and the HHSC Board of Directors testified in strong support of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Task Force to also examine private sector compensation in Hawaii in relation to state and county compensation;
- (2) Including the Director of Human Resources of HHSC on the Task Force; 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 concurs with the intent and purpose of H.C.R. No. 127, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 127, H.D. 1.

Signed by all members of the Committee except Representatives M. Lee, Luke, Saiki, Souki and Takumi.

**SCRep. 1222 Housing on H.R. No. 124**

The purpose of this resolution is to urge Hawaii media to run public service announcements and print articles that encourage the community to recognize that persons who are homeless are part of Hawaii's *ohana* and that properly-run facilities should be allowed in all neighborhoods.

An individual testified in support of this measure. Help the Hawaii Homeless submitted 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 H.R. No. 124 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1223 Housing on H.C.R. No. 142**

The purpose of this concurrent resolution is to urge Hawaii media to run public service announcements and print articles that encourage the community to recognize that persons who are homeless are part of Hawaii's *ohana* and that properly-run facilities should be allowed in all neighborhoods.

An individual testified in support of this measure. Help the Hawaii Homeless submitted 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 H.C.R. No. 142 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1224 Housing on H.R. No. 62**

The purpose of this resolution is to request the Hawaii Housing Finance and Development Corporation (HHFDC) to convene a statewide community land trust task force to study the establishment of a statewide community land trust to promote homeownership opportunities in Hawaii.

Hawai'i Association of REALTORS®, Na Hale O Maui, and several concerned individuals testified in support of this measure. HHFDC testified in support of the intent of this measure.

Your Committee has amended this resolution by:

- (1) Including a representative from the Hawai'i Association of REALTORS® on the statewide community land trust 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.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 Carroll and Herkes.

**SCRep. 1225      Housing on H.C.R. No. 70**

The purpose of this concurrent resolution is to request the Hawaii Housing Finance and Development Corporation (HHFDC) to convene a statewide community land trust task force to study the establishment of a statewide community land trust to promote homeownership opportunities in Hawaii.

Hawai'i Association of REALTORS®, Na Hale O Maui, and several concerned individuals testified in support of this measure. HHFDC testified in support of the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Including a representative from the Hawai'i Association of REALTORS® on the statewide community land trust 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. 70, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 70, H.D. 1.

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

**SCRep. 1226      Higher Education on H.C.R. No. 289**

The purpose of this concurrent resolution is to continue to provide quality educational opportunities for gifted and talented Native Hawaiian children by urging the support of State funding for Na Pua No'eau staffing and programs.

The University of Hawaii, Ko'olauloa Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Hilo Hawaiian Civic Club, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 289 and recommends that it be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1227      Higher Education on H.R. No. 246**

The purpose of this resolution is to help encourage the responsible and successful incorporation of native Hawaiian plant species in public spaces by requesting the University of Hawaii (UH) at Hilo to seek available resources to study the feasibility of incorporating native Hawaiian plant species in capital improvement projects.

The Chancellor of UH at Hilo supported this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 246 and recommends that it be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1228      Higher Education on H.C.R. No. 279**

The purpose of this concurrent resolution is to help encourage the responsible and successful incorporation of native Hawaiian plant species in public spaces by requesting the University of Hawaii (UH) at Hilo to seek available resources to study the feasibility of incorporating native Hawaiian plant species in capital improvement projects.

The Chancellor of UH at Hilo supported this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 279 and recommends that it be referred to the Committee on Hawaiian Affairs.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1229 Higher Education on H.R. No. 256**

The purpose of this resolution is to increase access to higher education and research opportunities in the lower Puna area of Hawaii Island by requesting the University of Hawaii (UH) at Hilo to search for a site in lower Puna to house a learning center comparable to the North Hawaii Education and Research Center in Honokaa.

The Chancellor of UH at Hilo supported this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 256 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1230 Higher Education on H.C.R. No. 291**

The purpose of this concurrent resolution is to increase access to higher education and research opportunities in the lower Puna area of Hawaii Island by requesting the University of Hawaii (UH) at Hilo to search for a site in lower Puna to house a learning center comparable to the North Hawaii Education and Research Center in Honokaa.

The Chancellor of UH at Hilo supported this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 291 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1231 Higher Education on H.R. No. 170**

The purpose of this resolution is to seize the opportunity afforded by the selection of Mauna Kea as the preferred site for the Thirty Meter Telescope by supporting and encouraging the Thirty Meter Telescope Observatory Corporation's collaboration with local business, community, and educational entities to help develop, implement, and sustain a comprehensive Workforce Pipeline Program to prepare the local workforce for employment at the Thirty Meter Telescope Project and other high technology projects in Hawaii.

The Chancellor of the University of Hawaii at Hilo, Pacific Resource Partnership, Hawaii Laborers' Union, Hawaii Island Economic Development Board, and several concerned individuals supported this measure. The Department of Business, Economic Development & Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 170 and recommends that it be referred to the Committees on Economic Revitalization & Business and Labor & Public Employment.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1232 Higher Education on H.C.R. No. 197**

The purpose of this concurrent resolution is to seize the opportunity afforded by the selection of Mauna Kea as the preferred site for the Thirty Meter Telescope by supporting and encouraging the Thirty Meter Telescope Observatory Corporation's collaboration with local business, community, and educational entities to help develop, implement, and sustain a comprehensive Workforce Pipeline Program to prepare the local workforce for employment at the Thirty Meter Telescope Project and other high technology projects in Hawaii.

The Chancellor of the University of Hawaii at Hilo, Pacific Resource Partnership, Hawaii Laborers' Union, Hawaii Island Economic Development Board, and several concerned individuals supported this measure. The Department of Business, Economic Development & Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197 and recommends that it be referred to the Committees on Economic Revitalization & Business and Labor & Public Employment.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1233 Higher Education on H.R. No. 240**

The purpose of this resolution is to assist travel and tourism industry professionals in their short- and long-term business planning and management by requesting the School of Travel Industry Management (TIM) at the University of Hawaii at Manoa to develop enhancements for the tourism-related capabilities of the University of Hawaii Economic Research Organization (UHERO) Data Portal.

UHERO and TIM supported this measure.



As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 240 and recommends that it be referred to the Committee on Tourism.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1234 Higher Education on H.C.R. No. 273**

The purpose of this concurrent resolution is to assist travel and tourism industry professionals in their short- and long-term business planning and management by requesting the School of Travel Industry Management (TIM) at the University of Hawaii at Manoa to develop enhancements for the tourism-related capabilities of the University of Hawaii Economic Research Organization (UHERO) Data Portal.

UHERO and TIM supported this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 273 and recommends that it be referred to the Committee on Tourism.

Signed by all members of the Committee except Representatives Awana, Hanohano, Mizuno, Wooley and Ching.

**SCRep. 1235 International Affairs on H.R. No. 60**

The purpose of this resolution is to request the Governor to set up a task force within the Department of Business, Economic Development, and Tourism (DBEDT) to establish a relationship between Hawaii and the islands of Polynesia, including:

- (1) Western Province – Solomon Islands;
- (2) Rarotonga District – Cook Islands;
- (3) Easter Island;
- (4) Province of Tahiti – French Polynesia;
- (5) Pohnpei Province – Micronesia;
- (6) Westland Province – New Zealand;
- (7) Madang Province – Papua New Guinea;
- (8) Pitcairn Island District - Pitcairn Islands;
- (9) Upolu District – Samoa;
- (10) Tongatapu District – Tonga;
- (11) Funafuti District – Tuvalu; and
- (12) ‘Uvea Province – Wallis and Futuna.

A concerned individual testified in support of this measure. DBEDT supported the intent.

Your Committee has amended this measure by:

- (1) Changing its title to read: "REQUESTING THE ESTABLISHMENT OF A RELATIONSHIP BETWEEN THE STATE OF HAWAII AND THE ISLANDS OF OCEANIA";
- (2) Broadening the geographic scope by:
  - (A) Replacing references to Polynesia with Oceania; and
  - (B) Clarifying that the islands of Oceania that the Governor is being requested to set up a task force to establish a relationship with Hawaii are not limited to the ones listed;
- (3) Replacing Easter Island with the Republic of Vanuatu and adding the Republic of the Fiji Islands as islands of Oceania that the Governor is being requested to set up a task force to establish a relationship with Hawaii;
- (4) Requesting that DBEDT submit a report of the task force's findings to the Legislature no later than 20 days prior to the Regular Session of 2012; and
- (5) Making technical, nonsubstantive amendments, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 60, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 60, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1236 International Affairs on H.C.R. No. 67**

The purpose of this concurrent resolution is to request the Governor to set up a task force within the Department of Business, Economic Development, and Tourism (DBEDT) to establish a relationship between Hawaii and the islands of Polynesia, including:

- (1) Western Province – Solomon Islands;
- (2) Rarotonga District – Cook Islands;
- (3) Easter Island;
- (4) Province of Tahiti – French Polynesia;
- (5) Pohnpei Province – Micronesia;
- (6) Westland Province – New Zealand;
- (7) Madang Province – Papua New Guinea;
- (8) Pitcairn Island District - Pitcairn Islands;
- (9) Upolu District – Samoa;
- (10) Tongatapu District – Tonga;
- (11) Funafuti District – Tuvalu; and
- (12) ‘Uvea Province – Wallis and Futuna.

Several concerned individuals testified in support of this measure. DBEDT supported the intent. A concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Changing its title to read: "REQUESTING THE ESTABLISHMENT OF A RELATIONSHIP BETWEEN THE STATE OF HAWAI'I AND THE ISLANDS OF OCEANIA";
- (2) Broadening the geographic scope by:
  - (A) Replacing references to Polynesia with Oceania; and
  - (B) Clarifying that the islands of Oceania that the Governor is being requested to set up a task force to establish a relationship with Hawaii are not limited to the ones listed;
- (3) Replacing Easter Island with the Republic of Vanuatu and adding the Republic of the Fiji Islands as islands of Oceania that the Governor is being requested to set up a task force to establish a relationship with Hawaii;
- (4) Requesting that DBEDT submit a report of the task force's findings to the Legislature no later than 20 days prior to the Regular Session of 2012; and
- (5) Making technical, nonsubstantive amendments, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1237 International Affairs on H.R. No. 30**

The purpose of this resolution is to recognize the long standing relationship between Hawaii and the Republic of Turkey by promoting cultural, educational, academic, political, and economic relations.

The Department of Business, Economic Development, and Tourism and Pacifica Institute testified in support of this measure. Several concerned individuals testified in opposition. Several concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 30 and recommends its adoption.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1238 International Affairs on H.C.R. No. 37**

The purpose of this concurrent resolution is to recognize the long standing relationship between Hawaii and the Republic of Turkey by promoting cultural, educational, academic, political, and economic relations.

The Department of Business, Economic Development, and Tourism and Pacifica Institute testified in support of this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37 and recommends its adoption.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1239 International Affairs on H.R. No. 13**

The purpose of this resolution is to urge the United States Congress and the Department of State to host more international trade conferences and summits in Hawaii.

The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of this measure.

Your Committee has amended this resolution by:

- (1) Requesting DBEDT to submit a status report to the Legislature detailing accomplishments, challenges, and entities contacted in the promotion of the State of Hawaii as a safe and secure location to host international meetings, conferences, and seminars no later than 20 days prior to the convening of the Regular Session of 2012; and
- (2) Making technical, nonsubstantive amendments, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 13, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 13, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1240 International Affairs on H.C.R. No. 12**

The purpose of this concurrent resolution is to urge the United States Congress and the Department of State to host more international trade conferences and summits in Hawaii.

The Department of Business, Economic Development, and Tourism (DBEDT) testified in support of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting DBEDT to submit a status report to the Legislature detailing accomplishments, challenges, and entities contacted in the promotion of the State of Hawaii as a safe and secure location to host international meetings, conferences, and seminars no later than 20 days prior to the convening of the Regular Session of 2012; and
- (2) Making technical, nonsubstantive amendments, for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 12, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1241 International Affairs on H.R. No. 12**

The purpose of this resolution is to foster international relations by urging the Governor of the State of Hawaii to request all Asia-Pacific Economic Cooperation-member countries to establish honorary consuls in Hawaii before the 2011 Asia-Pacific Economic Cooperation (APEC) Summit.

The Department of Business, Economic Development, and Tourism testified in support of this measure.

Your Committee has amended this resolution by:

- (1) Including the Consular Corps of Hawaii in the process of requesting all Asia-Pacific Economic Cooperation-member countries to establish honorary consuls in Hawaii before the 2011 APEC summit;

- (2) Amending its title to read: "HOUSE RESOLUTION URGING THE GOVERNOR OF HAWAII TO INVITE ALL ASIA-PACIFIC ECONOMIC COOPERATION COUNTRIES TO ESTABLISH HONORARY CONSULS IN HAWAII BEFORE THE 2011 ASIA-PACIFIC ECONOMIC COOPERATION SUMMIT"; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 12, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1242 International Affairs on H.C.R. No. 11**

The purpose of this concurrent resolution is to foster international relations by urging the Governor of the State of Hawaii to request all Asia-Pacific Economic Cooperation-member countries to establish honorary consuls in Hawaii before the 2011 Asia-Pacific Economic Cooperation (APEC) Summit.

The Department of Business, Economic Development, and Tourism testified in support of this measure. A concerned individual opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Including the Consular Corps of Hawaii in the process of requesting all Asia-Pacific Economic Cooperation-member countries to establish honorary consuls in Hawaii before the 2011 APEC summit;
- (2) Amending its title to read: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR OF HAWAII TO INVITE ALL ASIA-PACIFIC ECONOMIC COOPERATION COUNTRIES TO ESTABLISH HONORARY CONSULS IN HAWAII BEFORE THE 2011 ASIA-PACIFIC ECONOMIC COOPERATION SUMMIT"; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 11, H.D. 1.

Signed by all members of the Committee except Representatives Brower, Choy, Evans, Nishimoto and Tokioka.

**SCRep. 1243 Transportation on H.R. No. 22**

The purpose of this resolution is to request that the Department of Health (DOH) gather and report annual State statistics on deaths and injuries related to all-terrain vehicles (ATV) and recommend legislation to help prevent further deaths and injuries.

The Queen's Medical Center and several concerned individuals testified in support. The DOH supported the intent and provided comments. A couple of concerned individuals testified in opposition.

While your Committee understands that ATVs are relatively safe and that a majority of those riding ATVs are safety conscious and wear all the proper safety gear, the potential risk of injury to Hawaii's youth is real. Therefore, it is important that steps be taken to prevent the exorbitant amount of health care costs associated with ATV-related injuries and death, as well as the grief experienced by family members and loved ones. For this reason this resolution deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 22 and recommends that it be referred to the Committee on Health.

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

**SCRep. 1244 Transportation on H.C.R. No. 19**

The purpose of this concurrent resolution is to request that the Department of Health (DOH) gather and report annual State statistics on deaths and injuries related to all-terrain vehicles (ATV) and recommend legislation to help prevent further deaths and injuries.

The Queen's Medical Center and several concerned individuals testified in support. The DOH supported the intent and provided comments. A couple of concerned individuals testified in opposition.

While your Committee understands that ATVs are relatively safe and that a majority of those riding ATVs are safety conscious and wear all the proper safety gear, the potential risk of injury to Hawaii's youth is real. Therefore, it is important that steps be taken to prevent the exorbitant amount of health care costs associated with ATV-related injuries and death, as well as the grief experienced by family members and loved ones. For this reason this resolution deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19 and recommends that it be referred to the Committee on Health.

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

**SCRep. 1245            Transportation on H.R. No. 26**

The purpose of this resolution is to allow for additional street parking in the community of Ho'okea in Ewa Villages.

One concerned individual testified in support. One concerned individual testified in opposition.

Testimony in support states Ho'okea was built before City Ordinance 15-14.1(2) came into effect and that there has always been a severe lack of legal parking in the area. The resolution requests that residents be allowed to park their vehicles on the street in front of their own driveways without being cited by police. Testimony in opposition cites concerns for emergency vehicle access and less visibility of children playing in the area.

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. 26 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1246            Transportation on H.C.R. No. 30**

The purpose of this concurrent resolution is to allow for additional street parking in the community of Ho'okea in Ewa Villages.

One concerned individual testified in support. One concerned individual testified in opposition.

Testimony in support states Ho'okea was built before City Ordinance 15-14.1(2) came into effect and that there has always been a severe lack of legal parking in the area. The resolution requests that residents be allowed to park their vehicles on the street in front of their own driveways without being cited by police. Testimony in opposition cites concerns for emergency vehicle access and less visibility of children playing in the area.

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. 30 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1247            Transportation on H.R. No. 92**

The purpose of this resolution is to address the morning traffic congestion for Mililani Mauka residents turning southbound onto the H-2 Freeway from Meheula Parkway.

The Department of Transportation (DOT) supported the resolution with reservations. The Mililani/Waipio/Melemanu Neighborhood Board No. 25 testified in strong support.

In 2010 the City and County of Honolulu implemented a traffic signal optimization project on Meheula Parkway which yielded some improvement in traffic flow. The DOT also recently conducted a study which found that major improvements to the Mililani Interchange and the H-2 freeway are necessary to provide further improvements to traffic congestion at the interchange for southbound commuters.

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. 92 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1248            Transportation on H.C.R. No. 101**

The purpose of this concurrent resolution is to address the morning traffic congestion for Mililani Mauka residents turning southbound onto the H-2 Freeway from Meheula Parkway.

The Department of Transportation (DOT) supported the resolution with reservations. The Mililani/Waipio/Melemanu Neighborhood Board No. 25 testified in strong support.

In 2010 the City and County of Honolulu implemented a traffic signal optimization project on Meheula Parkway which yielded some improvement in traffic flow. The DOT also recently conducted a study which found that major improvements to the Mililani Interchange and the H-2 freeway are necessary to provide further improvements to traffic congestion at the interchange for southbound commuters.

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 Representatives Luke and Saiki.

**SCRep. 1249            Transportation on H.R. No. 39**

The purpose of this resolution is to address safety concerns on Roosevelt Bridge.

The Department of Transportation (DOT) testified in opposition to the resolution.

Roosevelt Bridge, which spans Kipapa Gulch, was built in 1933, is narrow with limited visibility, and has been the sight of numerous fatal accidents and serious injuries. Flooding has caused the bridge to close on a number of occasions. The DOT opposed the measure because they are already conducting an environmental assessment for the Kamehameha Highway Improvements, which includes the Roosevelt Bridge, and a feasibility study would be redundant. The assessment is considering two alternatives related to Roosevelt Bridge and the DOT expects to publish the draft environmental assessment in December 2011.

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. 39 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1250            Transportation on H.C.R. No. 45**

The purpose of this concurrent resolution is to address safety concerns on Roosevelt Bridge.

The Department of Transportation (DOT) testified in opposition to the resolution.

Roosevelt Bridge, which spans Kipapa Gulch, was built in 1933, is narrow with limited visibility, and has been the sight of numerous fatal accidents and serious injuries. Flooding has caused the bridge to close on a number of occasions. The DOT opposed the measure because they are already conducting an environmental assessment for the Kamehameha Highway Improvements, which includes the Roosevelt Bridge, and a feasibility study would be redundant. The assessment is considering two alternatives related to Roosevelt Bridge and the DOT expects to publish the draft environmental assessment in December 2011.

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. 45 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1251            Transportation on H.R. No. 73**

The purpose of this resolution is to convene a working group to resolve long standing disputes between the State and the counties over the jurisdiction of various roadways throughout the state.

In 1963, section 264-1, Hawaii Revised Statutes, created two categories of public highways – State highways under the jurisdiction of the Department of Transportation and county highways which comprise all remaining highways. Disputes arose when the State, under this law, transferred various roadways to the counties, some of which the counties refused to accept. The counties claimed that the roadways do not become a county highway unless they are accepted as such by the county council. As a result several of these roadways fell into disrepair with neither side accepting responsibility for necessary repairs and maintenance.

Your committee feels that after almost fifty years it is time for all the parties on both sides who are capable of implementing a resolution to this dispute to sit down and work out their differences. The makeup of the working group follows the recommendation made by the LRB in their 1989 report to the Legislature entitled *Roads in Limbo*. In addition an outside facilitator was also included to insure that the parties reach a solution acceptable to both sides, and the resolution provides for the addition of other parties who may be required for the successful implementation of a solution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 73 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1252            Transportation on H.C.R. No. 81**

The purpose of this concurrent resolution is to convene a working group to resolve long standing disputes between the State and the counties over the jurisdiction of various roadways throughout the state.

In 1963, section 264-1, Hawaii Revised Statutes, created two categories of public highways – State highways under the jurisdiction of the Department of Transportation and county highways which comprise all remaining highways. Disputes arose when the State, under this law, transferred various roadways to the counties, some of which the counties refused to accept. The counties claimed that the roadways do not become a county highway unless they are accepted as such by the county council. As a result several of these roadways fell into disrepair with neither side accepting responsibility for necessary repairs and maintenance.

Your committee feels that after almost fifty years it is time for all the parties on both sides who are capable of implementing a resolution to this dispute to sit down and work out their differences. The makeup of the working group follows the recommendation made by the LRB in their 1989 report to the Legislature entitled *Roads in Limbo*. In addition an outside facilitator was also included to insure that the parties reach a solution acceptable to both sides, and the resolution provides for the addition of other parties who may be required for the successful implementation of a solution.

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. 81 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1253      Agriculture/Economic Revitalization & Business on H.R. No. 108**

The purpose of this measure is to promote local agriculture and food security for Hawaii by requesting the Governor to ensure that chief procurement officers comply with the Hawaii Public Procurement Code's preferences for Hawaii products.

The Department of Agriculture supported this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 108 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Nishimoto, Tokioka, Pine and Riviere.

**SCRep. 1254      Agriculture/Economic Revitalization & Business on H.C.R. No. 124**

The purpose of this measure is to promote local agriculture and food security for Hawaii by requesting the Governor to ensure that chief procurement officers comply with the Hawaii Public Procurement Code's preferences for Hawaii products.

The Department of Agriculture supported this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 124 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Nishimoto, Tokioka, Pine and Riviere.

**SCRep. 1255      Agriculture on H.R. No. 145**

The purpose of this measure is to request the Department of Agriculture (DOA) to convene a working group to examine the federal 2008 Farm Bill amendment to the Richard R. Russell National School Lunch Act, including, at a minimum, certain issues relating to the use of locally-grown agricultural products in public schools.

DOA and the Hawaii Farm Bureau Federation submitted comments.

Your Committee notes that concerns were raised during the public hearing regarding the lack of available resources to carry out the tasks requested of DOA. This funding issue will likely need to be addressed as this measure moves forward in the legislative 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. 145 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives McKelvey and Riviere.

**SCRep. 1256      Agriculture on H.C.R. No. 167**

The purpose of this measure is to request the Department of Agriculture (DOA) to convene a working group to examine the federal 2008 Farm Bill amendment to the Richard R. Russell National School Lunch Act, including, at a minimum, certain issues relating to the use of locally-grown agricultural products in public schools.

DOA and the Hawaii Farm Bureau Federation submitted comments.

Your Committee notes that concerns were raised during the public hearing regarding the lack of available resources to carry out the tasks requested of DOA. This funding issue will likely need to be addressed as this measure moves forward in the legislative 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. 167 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives McKelvey and Riviere.

**SCRep. 1257      Labor & Public Employment on H.C.R. No. 235**

The purpose of this concurrent resolution is to urge:

- (1) The State to adopt the International Labour Organization Convention concerning Indigenous and Tribal Peoples in Independent Countries;

- (2) The State and the international community to:
- (A) Consult the indigenous and tribal peoples concerned when considering legislative or administrative measures that may directly affect them; and
  - (B) Grant indigenous and tribal peoples in independent countries ownership and possession over lands and natural resources that they traditionally occupy;
- and
- (3) The United States President to sign and request the timely ratification of the International Labour Organization Convention concerning Indigenous and Tribal Peoples in Independent Countries.

I Love Kalihi Valley testified in support of this measure. A concerned citizen testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 235 and recommends that it be referred to the Committee on International Affairs.

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

**SCRep. 1258 Labor & Public Employment on H.R. No. 245**

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the current Post Retirement Allowance to determine whether it is fulfilling its purpose of maintaining a standard of living for retired members and beneficiaries.

The Hawaii State Teachers Association – Retired COLA Fairness Committee and several individuals testified in support of this measure. LRB commented on this measure.

Your Committee has amended this measure by:

- (1) Requesting LRB to also determine whether the Post Retirement Allowance is supplementing pensions sufficiently to keep up with inflation; and
- (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 concurs with the intent and purpose of H.R. No. 245, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 245, H.D. 1.

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

**SCRep. 1259 Labor & Public Employment on H.C.R. No. 278**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on the current Post Retirement Allowance to determine whether it is fulfilling its purpose of maintaining a standard of living for retired members and beneficiaries.

The Hawaii State Teachers Association – Retired COLA Fairness Committee and several individuals testified in support of this measure. LRB commented on this measure.

Your Committee has amended this measure by:

- (1) Requesting LRB to also determine whether the Post Retirement Allowance is supplementing pensions sufficiently to keep up with inflation; and
- (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 concurs with the intent and purpose of H.C.R. No. 278, 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. 278, H.D. 1.

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

**SCRep. 1260 Energy & Environmental Protection on H.C.R. No. 160**

The purpose of this concurrent resolution is to request the Hawaii State Auditor to conduct an audit of all energy efficiency projects conducted by State departments and agencies, including with the audit a list of energy efficiency projects begun during fiscal year 2011-2012 and funding sources for commitments made by the State.

There was no testimony submitted on this measure.



Your committee, in support of this legislation, has not made any amendments to 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. 160 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chang, Har and Nakashima.

**SCRep. 1261 Energy & Environmental Protection on H.R. No. 89**

The purpose of this measure is to request the University of Hawaii Sea Grant College Program to review and analyze potential climate change effects on Hawaii's coastal and marine resources. This measure specifically requests the Sea Grant College Program to provide policy framework guidelines to support the development of state climate change response policy, in addition to an assessment of the effects of climate change on the State.

The University of Hawaii Sea Grant College Program, the Hawaii Audubon Society, the Nature Conservancy of Hawaii, and the Windward Ahupua'a Alliance provided testimony in support of this measure.

Your Committee has not made any amendments to this measure, but it should be noted that verbal testimony at the hearing on this measure contained amendments. The verbal testimony will be followed-up by written testimony with amendments that should be considered by succeeding committees. Your Committee also notes that testimony submitted by the University of Hawaii at the hearing on this measure indicated that no funding will be required to carry out the review and analysis requested by 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. 89 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chang, Har and Nakashima.

**SCRep. 1262 Energy & Environmental Protection on H.C.R. No. 97**

The purpose of this measure is to request the University of Hawaii Sea Grant College Program to review and analyze potential climate change effects on Hawaii's coastal and marine resources. This measure specifically requests the Sea Grant College Program to provide policy framework guidelines to support the development of state climate change response policy, in addition to an assessment of the effects of climate change on the State.

The University of Hawaii Sea Grant College Program, the Hawaii Audubon Society, the Nature Conservancy of Hawaii, and the Windward Ahupua'a Alliance provided testimony in support of this measure.

Your Committee has not made any amendments to this measure, but it should be noted that verbal testimony at the hearing on this measure contained amendments. The verbal testimony will be followed-up by written testimony with amendments that should be considered by succeeding committees. Your Committee also notes that testimony submitted by the University of Hawaii at the hearing on this measure indicated that no funding will be required to carry out the review and analysis requested by 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. 97 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chang, Har and Nakashima.

**SCRep. 1263 Economic Revitalization & Business on H.C.R. No. 79**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review to determine whether large scale dog breeders should be licensed by the Department of Commerce and Consumer Affairs (DCCA).

The Professional and Vocational Licensing Division of DCCA, The Humane Society of the United States, Hawaiian Humane Society, Poi Dogs & Popoki, and two concerned individuals supported this measure. A concerned individual opposed this measure. The Regulated Industries Complaints Office of DCCA submitted comments.

In light of issues raised in the public hearing, your Committee has amended this concurrent resolution by:

- (1) Providing that the Auditor include in her review an assessment of alternative agencies that may be tasked with regulating large scale dog breeders; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 79, 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. 79, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Brower, Hashem, Marumoto and Pine.

**SCRep. 1264 Hawaiian Affairs/Culture & the Arts on H.C.R. No. 117**

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs (OHA) to convene a Hawaiian Cultural Resources Working Group to:

- (1) Develop an action plan for the establishment and maintenance of a comprehensive Hawaiian cultural resources inventory database; and
- (2) Submit the action plan to the Governor and the Legislature no later than 20 days prior to the convening of the 2012 Regular Session.

The Hawaii Tourism Authority (HTA), the University of Hawaii at Manoa, and a concerned individual testified in support of this measure. OHA submitted comments on this measure.

Your Committees have amended this measure by:

- (1) Requesting the Hawaiian Cultural Resources Working Group to also locate and identify a place for Hawaiians to gather and meet;
- (2) Changing the composition of the Hawaiian Cultural Resources Working Group to instead comprise representatives from OHA, Association of Hawaiian Civic Clubs, Council for Native Hawaiian Advancement, Native Hawaiian Hospitality Association, HTA, Hawaii Hotel and Lodging Association, and State Foundation on Culture and the Arts;
- (3) Amending the list of individuals, agencies, and organizations to receive certified copies of this concurrent resolution, to conform with the changes to the composition of the Hawaiian Cultural Resources Working Group; 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 Hawaiian Affairs and Culture & the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 117, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 117, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

**SCRep. 1265 Hawaiian Affairs on H.C.R. No. 107**

The purpose of this concurrent resolution is to establish a Joint Legislative Investigating Committee to investigate the status of the Lili'uokalani Assignment and the Agreement of Restoration.

The Association of Hawaiian Civic Clubs, Aha Kanaka Moku O Keawe, Ke Aupuni o Hawaii, Sovereign Councils of the Hawaiian Homelands Assembly, Papa Ola Lokahi, Po'o Hewahewanui 'Ohana Council, and many concerned individuals supported this measure. A concerned individual supported the intent of this measure. Several concerned individuals opposed this measure.

Your Committee acknowledges that the members of the Joint Legislative Investigating Committee are subject to change as the dialogue requested in the concurrent resolution continues and evolves. In addition, your Committee notes that the Joint Legislative Investigating Committee may wish to include federal representation given the subject matter to be investigated.

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. 107 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

**SCRep. 1266 Hawaiian Affairs on H.C.R. No. 113**

The purpose of this concurrent resolution is to preserve and nurture the Hawaiian language by:

- (1) Urging the Department of Education (DOE) to require all public high schools to offer classes in 'olelo Hawai'i; and
- (2) Highly encouraging all private high schools to offer classes in 'olelo Hawai'i at their respective institutions.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Papa Ola Lokahi, Aha Punana Leo's Niuluhiki Distance Learning Program, and a concerned individual supported this measure. DOE offered comments.

Your Committee has amended this concurrent resolution by urging DOE to:

- (1) Support any:
  - (A) Public high school in offering 'olelo Hawai'i classes; and
  - (B) Public elementary and middle or intermediate schools that teach 'olelo Hawai'i through Hawaiian culture, arts, and dance as part of the social-studies curriculum;

and

- (2) Allow kupuna to teach ‘olelo Hawai‘i and Hawaiian culture, arts, and dance in public schools.

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

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 113, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Mizuno, Morikawa and Pine.

**SCRep. 1267 Hawaiian Affairs on H.C.R. No. 116**

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs (OHA) to:

- (1) Convene a task force to produce a comprehensive report on strategies and resources needed to reduce recidivism among native Hawaiians; and
- (2) Submit the report to the Governor and the Legislature no later than 20 days before the convening of the Regular Session of 2012.

The Association of Hawaiian Civic Clubs and Papa Ola Lokahi testified in support of this measure. OHA submitted comments.

Your Committee has amended this measure by:

- (1) Changing its title to read: "REQUESTING THE CONVENING OF A TASK FORCE TO REPORT ON EARLY INTERVENTION STRATEGIES AND RESOURCES TO MITIGATE ANTISOCIAL BEHAVIOR AND AVERT INCARCERATION AND RECIDIVISM AMONG NATIVE HAWAIIANS";
- (2) Requesting the task force to instead produce a comprehensive report on early intervention strategies and resources needed to mitigate antisocial behavior and avert incarceration and recidivism among native Hawaiians;
- (3) Indicating that early intervention strategies and resources serve as positive and effective influences through their emphasis on coping and self-efficacy skills, positive behavioral interventions, education and training, and coordinated services at home, at school, and in the community; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 116, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 116, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

**SCRep. 1268 Housing/Water, Land, & Ocean Resources on H.R. No. 47**

The purpose of this resolution is to request the State Building Code Council to adopt the requirement that automatic fire sprinklers be installed in new one- and two-family dwellings, in compliance with the latest editions of nationally-recognized safety codes.

The State Fire Council, Honolulu Fire Department, and County of Maui Department of Fire and Public Safety testified in support of this measure, with comments. Several concerned individuals testified in opposition to this measure. The Building Association of Hawaii submitted comments.

Your Committees acknowledge the intent of the State Fire Council and the county fire departments in highlighting the importance of having automatic fire sprinklers installed in family dwellings and other buildings as a way of controlling or suppressing fires, and preventing fires from going undetected and growing to dangerous proportions.

Upon consideration, your Committees have amended this measure by:

- (1) Requesting the State Building Code Council to:
  - (A) Clarify the definition of one- and two-family dwellings; and
  - (B) Address the issues of accessibility and availability of water to all dwellings;
- (2) Submit a report of its findings, recommendations, and actions taken to the Legislature no later than 20 days before the convening of the Regular Session of 2015; 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 Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 47, H.D. 1.

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

**SCRep. 1269      Housing/Water, Land, & Ocean Resources on H.C.R. No. 54**

The purpose of this concurrent resolution is to request the State Building Code Council to adopt the requirement that automatic fire sprinklers be installed in new one- and two-family dwellings, in compliance with the latest editions of nationally-recognized safety codes.

The State Fire Council, Honolulu Fire Department, and County of Maui Department of Fire and Public Safety testified in support of this measure, with comments. Several concerned individuals testified in opposition to this measure. The Building Association of Hawaii submitted comments.

Your Committees acknowledge the intent of the State Fire Council and the county fire departments in highlighting the importance of having automatic fire sprinklers installed in family dwellings and other buildings as a way of controlling or suppressing fires, and preventing fires from going undetected and growing to dangerous proportions.

Upon consideration, your Committees have amended this measure by:

- (1) Requesting the State Building Code Council to:
  - (A) Clarify the definition of one- and two-family dwellings; and
  - (B) Address the issues of accessibility and availability of water to all dwellings;
- (2) Submit a report of its findings, recommendations, and actions taken to the Legislature no later than 20 days before the convening of the Regular Session of 2015; 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 Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 54, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 54, H.D. 1.

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

**SCRep. 1270      Transportation on H.R. No. 37**

The purpose of this resolution is to insure that Hawaii drivers are exposed to their responsibilities toward blind pedestrians during the driver licensing process.

Several concerned individuals who are also blind testified in support.

Act 75, Session Laws of Hawaii 1972, specifically established the responsibilities of Hawaii drivers toward blind pedestrians, yet none of Hawaii's counties have yet to include questions about these responsibilities on any driver licensing examinations. Most other states already include questions regarding blind pedestrians in their written driving tests.

A blind pedestrian has always faced challenges crossing our roads, particularly at intersections with right turn lanes. More recently they also face challenges with hybrid and electric vehicles because a blind person relies heavily on their hearing to guide them and is unable to hear an on-coming hybrid or electric vehicle. Thus your committee finds that it is reasonable to ask the counties to include information regarding safety of the blind pedestrian in their driver licensing examinations.

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. 37 and recommends its adoption.

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

**SCRep. 1271      Transportation on H.C.R. No. 43**

The purpose of this concurrent resolution is to insure that Hawaii drivers are exposed to their responsibilities toward blind pedestrians during the driver licensing process.

Several concerned individuals who are also blind testified in support.

Act 75, Session Laws of Hawaii 1972, specifically established the responsibilities of Hawaii drivers toward blind pedestrians, yet none of Hawaii's counties have yet to include questions about these responsibilities on any driver licensing examinations. Most other states already include questions regarding blind pedestrians in their written driving tests.

A blind pedestrian has always faced challenges crossing our roads, particularly at intersections with right turn lanes. More recently they also face challenges with hybrid and electric vehicles because a blind person relies heavily on their hearing to guide them and is unable to hear an on-coming hybrid or electric vehicle. Thus your committee finds that it is reasonable to ask the counties to include information regarding safety of the blind pedestrian in their driver licensing examinations.

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. 43 and recommends its adoption.

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

**SCRep. 1272 Economic Revitalization & Business on H.R. No. 139**

The purpose of this resolution is to establish a task force to review and evaluate issues relating to, and develop an implementation plan for, the creation of the Bank of the State of Hawaii.

The Department of Commerce and Consumer Affairs, Hawaii Alliance for Community Based Economic Development, and Faith Action for Community Equity supported this measure. The Hawaii Alliance of Nonprofit Organizations supported the intent of this measure. The Hawaii Credit Union League, Hawaii Bankers Association, and a concerned individual opposed this measure. The Legislative Reference Bureau and the Center for State Innovation submitted comments.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 139 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Hashem, Marumoto and Pine.

**SCRep. 1273 Economic Revitalization & Business on H.C.R. No. 159**

The purpose of this concurrent resolution is to establish a task force to review and evaluate issues relating to, and develop an implementation plan for, the creation of the Bank of the State of Hawaii.

The Department of Commerce and Consumer Affairs, Hawaii Alliance for Community Based Economic Development, and Faith Action for Community Equity supported this measure. The Hawaii Alliance of Nonprofit Organizations supported the intent of this measure. The Hawaii Credit Union League, Hawaii Bankers Association, and a concerned individual opposed this measure. The Legislative Reference Bureau and the Center for State Innovation submitted comments.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business 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 Finance.

Signed by all members of the Committee except Representatives Awana, Brower, Hashem, Marumoto and Pine.

**SCRep. 1274 Public Safety & Military Affairs on H.R. No. 241**

The purpose of this resolution is to recognize and reward certain public servants by urging retailers to provide discounts to firefighters, police officers, and emergency personnel in deference to their work for the public health and safety.

The Retail Merchants of Hawaii offered comments.

Your Committee noted that police officers adhere to strict standards of conduct and are prohibited from accepting certain rewards and gifts. This measure may compromise the officers' standards of conduct policy. Also, retailers and merchants need to be educated on this measure, and informing all of them may prove difficult and time-consuming.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 241 and recommends that it be referred to the Committee on Economic Revitalization & Business.

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

**SCRep. 1275 Public Safety & Military Affairs on H.C.R. No. 274**

The purpose of this concurrent resolution is to recognize and reward certain public servants by urging retailers to provide discounts to firefighters, police officers, and emergency personnel in deference to their work for the public health and safety.

The Retail Merchants of Hawaii offered comments.

Your Committee noted that police officers adhere to strict standards of conduct and are prohibited from accepting certain rewards and gifts. This measure may compromise the officers' standards of conduct policy. Also, retailers and merchants need to be educated on this measure, and informing all of them may prove difficult and time-consuming.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 274 and recommends that it be referred to the Committee on Economic Revitalization & Business.

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

**SCRep. 1276 Public Safety & Military Affairs on H.R. No. 178**

The purpose of this resolution is to urge the Governor to begin discussions and plans to establish public-private partnerships to build prisons and correctional facilities in the State. Specifically, this resolution, among other things, aims to:

- (1) Provide economic stimulus, financial savings, and employment in Hawaii;
- (2) Assist inmates in rehabilitating and maintaining family bonds;
- (3) Resolve problems of assaults and other crimes against Hawaii inmates housed in mainland prisons;
- (4) Allow for efficient construction, financing, and leasing in a reasonable timeframe to build prisons and correctional facilities; and
- (5) Allow for the State to take advantage of a favorable bidding and subcontracting environment in terms of pricing and relatively low bond interest rates.

The Hawaii Youth Services Network supported this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 178 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1277 Public Safety & Military Affairs on H.C.R. No. 207**

The purpose of this concurrent resolution is to urge the Governor to begin discussions and plans to establish public-private partnerships to build prisons and correctional facilities in the State. Specifically, this concurrent resolution, among other things, aims to:

- (1) Provide economic stimulus, financial savings, and employment in Hawaii;
- (2) Assist inmates in rehabilitating and maintaining family bonds;
- (3) Resolve problems of assaults and other crimes against Hawaii inmates housed in mainland prisons;
- (4) Allow for efficient construction, financing, and leasing in a reasonable timeframe to build prisons and correctional facilities; and
- (5) Allow for the State to take advantage of a favorable bidding and subcontracting environment in terms of pricing and relatively low bond interest rates.

The Hawaii Youth Services Network supported this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1278 Public Safety & Military Affairs on H.R. No. 179**

The purpose of this resolution is to address overcrowding, inefficiency, and the financial burden of Hawaii prisons, and the societal and management problems at mainland prisons that house Hawaii offenders, by requesting the Department of Public Safety and Department of Accounting and General Services to:

- (1) Study the feasibility of establishing a public-private correctional partnership for the construction and operation of prisons in Hawaii;
- (2) Return inmates who are incarcerated on the mainland;
- (3) Close inefficient and aging prison facilities within the State;
- (4) Identify specific locations that would be selected as sites for new prisons in Hawaii, and hold at least one public hearing on the topic; and
- (5) Produce a report on estimated construction costs, annual debt service costs, and annual operating costs for a new, publicly financed and operated prison to be used as a benchmark for comparison to a public-private project.

The American Civil Liberties Union of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 179 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1279      Public Safety & Military Affairs on H.C.R. No. 208**

The purpose of this concurrent resolution is to address overcrowding, inefficiency, and the financial burden of Hawaii prisons, and the societal and management problems at mainland prisons that house Hawaii offenders, by requesting the Department of Public Safety and Department of Accounting and General Services to:

- (1) Study the feasibility of establishing a public-private correctional partnership for the construction and operation of prisons in Hawaii;
- (2) Return inmates who are incarcerated on the mainland;
- (3) Close inefficient and aging prison facilities within the State;
- (4) Identify specific locations that would be selected as sites for new prisons in Hawaii, and hold at least one public hearing on the topic; and
- (5) Produce a report on estimated construction costs, annual debt service costs, and annual operating costs for a new, publicly financed and operated prison to be used as a benchmark for comparison to a public-private project.

The American Civil Liberties Union of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 208 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1280      Public Safety & Military Affairs on H.R. No. 157**

The purpose of this resolution is to support the counties affected by the March 10, 2011, tsunami generated by the Japanese earthquake by, among other things:

- (1) Requesting the Counties of Hawaii and Maui to apply for the maximum amount of federal relief funds available and to cover the requisite cost share for the Federal Emergency Management Agency's public assistance program and individual assistance program;
- (2) Requesting the State to assist the affected counties by maximizing available matching funds for federal reimbursements;
- (3) Assembling a task force to expedite relief to the affected counties;
- (4) Urging the United States Congress to refrain from making cuts to the Pacific Tsunami Alert System; and
- (5) Expediting building permits for the affected counties so victims can rebuild.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1281      Public Safety & Military Affairs on H.C.R. No. 183**

The purpose of this concurrent resolution is to support the counties affected by the March 10, 2011, tsunami generated by the Japanese earthquake by, among other things:

- (1) Requesting the Counties of Hawaii and Maui to apply for the maximum amount of federal relief funds available and to cover the requisite cost share for the Federal Emergency Management Agency's public assistance program and individual assistance program;
- (2) Requesting the State to assist the affected counties by maximizing available matching funds for federal reimbursements;
- (3) Assembling a task force to expedite relief to the affected counties;
- (4) Urging the United States Congress to refrain from making cuts to the Pacific Tsunami Alert System; and
- (5) Expediting building permits for the affected counties so victims can rebuild.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1282      Public Safety & Military Affairs on H.R. No. 213**

The purpose of this resolution is to request all state departments and each county to assist in the relief and recovery efforts of those in Hawaii affected by the March 11, 2011, tsunami generated by the Japanese earthquake.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 213 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1283      Public Safety & Military Affairs on H.C.R. No. 250**

The purpose of this concurrent resolution is to request all state departments and each county to assist in the relief and recovery efforts of those in Hawaii affected by the March 11, 2011, tsunami generated by the Japanese earthquake.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1284      Education on H.R. No. 14**

The purpose of this resolution is to ensure the continued support of the Teach For America Program by the Hawai'i Congressional Delegation.

Teach for America-Hawai'i testified in support of this measure. Several concerned individuals testified in opposition of this measure. A concerned individual submitted 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. 14 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Awana, Hanohano, Mizuno, Saiki and Wooley.

**SCRep. 1285      Education on H.C.R. No. 13**

The purpose of this concurrent resolution is to ensure the continued support of the Teach For America Program by the Hawai'i Congressional Delegation.

Teach for America-Hawai'i testified in support of this measure. Several concerned individuals testified in opposition of this measure. A concerned individual submitted 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. 13 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Awana, Hanohano, Mizuno, Saiki and Wooley.

**SCRep. 1286      Education on H.R. No. 249**

The purpose of this resolution is to continue to explore innovative methods to help cool Hawaii's classrooms by requesting the Department of Education to expand its related pilot projects in this pursuit.

The Hawaii State Teachers Association supports this measure. The Department of Education supports 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 concurs with the intent and purpose of H.R. No. 249 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Awana, Hanohano, Mizuno, Saiki and Wooley.

**SCRep. 1287      Education on H.C.R. No. 282**

The purpose of this concurrent resolution is to continue to explore innovative methods to help cool Hawaii's classrooms by requesting the Department of Education to expand its related pilot projects in this pursuit.

The Hawaii State Teachers Association supports this measure. The Department of Education supports 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 concurs with the intent and purpose of H.C.R. No. 282 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Aquino, Awana, Hanohano, Mizuno, Saiki and Wooley.



**SCRep. 1288 Hawaiian Affairs on H.R. No. 260**

The purpose of this resolution is to recognize and commend the Office of Hawaiian Affairs (OHA) for its study on the disparate treatment of native Hawaiians in the criminal-justice system. The study has been widely noted and referenced in Hawaii and across the nation, and has contributed to a greater understanding of the impact of the criminal-justice system on individuals of all ethnic groups and on society at large.

OHA and Papa Ola Lokahi supported this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 260 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1289 Hawaiian Affairs on H.C.R. No. 295**

The purpose of this concurrent resolution is to recognize and commend the Office of Hawaiian Affairs (OHA) for its study on the disparate treatment of native Hawaiians in the criminal-justice system. The study has been widely noted and referenced in Hawaii and across the nation, and has contributed to a greater understanding of the impact of the criminal-justice system on individuals of all ethnic groups and on society at large.

OHA and Papa Ola Lokahi supported this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 295 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1290 Judiciary on H.R. No. 171**

The purpose of this resolution is to urge the Judiciary to:

- (1) Expedite the selection of the site for the Kona Judiciary Complex; and
- (2) Consider the site known as La'i'Opua, which is under the jurisdiction of the Department of Hawaiian Home Lands, as a potential site for the Kona Judiciary Complex.

A concerned individual submitted comments on 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. 171 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1291 Judiciary on H.C.R. No. 198**

The purpose of this concurrent resolution is to urge the Judiciary to:

- (1) Expedite the selection of the site for the Kona Judiciary Complex; and
- (2) Consider the site known as La'i'Opua, which is under the jurisdiction of the Department of Hawaiian Home Lands, as a potential site for the Kona Judiciary Complex.

A concerned individual submitted comments on 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. 198 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1292 Labor & Public Employment/Human Services/Health on H.C.R. No. 128**

The purpose of this concurrent resolution is to request the Governor to convene a task force to, among other things, review policies and procedures for state-funded drug coverage programs and services on the use of rebates, manufacturer payments, incentives, prescription reimbursements, and patients' rights to select a pharmacy provider of their own choice.

The Healthcare Association of Hawaii testified in support of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Specifying that the task force's review of potential alternatives to the use of the mandated mail order formula and incorporation of the alternatives into the protocols of the various options available are also to better address language barrier issues;
- (2) Increasing the total membership of the task force by two members to 13 members, thereby increasing the appointment of task force members by the Governor to five members, to also specify membership representation from the islands of Hawaii, Maui, and Oahu; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, which includes the amending of the bill's title to read:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR OF THE STATE OF HAWAII TO CONVENE A TASK FORCE TO REVIEW POLICIES AND PROCEDURES FOR STATE-FUNDED DRUG COVERAGE PROGRAMS AND SERVICES ON THE USE OF REBATES, MANUFACTURER PAYMENTS, INCENTIVES, PRESCRIPTION REIMBURSEMENTS, AND PATIENTS' RIGHTS TO SELECT A PHARMACY PROVIDER OF THEIR OWN CHOICE."

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 128, as amended herein, and recommend that it be referred to the Committee on Consumer Protection & Commerce, in the form attached hereto as H.C.R. No. 128, H.D. 1.

Signed by all members of the Committee except Representatives C. Lee, Luke, Saiki, Souki, Takumi, Wooley and Ching.

**SCRep. 1293      Housing on H.C.R. No. 168**

The purpose of this concurrent resolution, as received by your Committee, is to request the Auditor to perform a management and financial audit of Hawaii Public Housing Authority (HPHA), for fiscal year 2006-2007, to present.

The Office of Hawaiian Affairs (OHA) commented on this measure.

Act 178, Session Laws of Hawaii 2006 (Act 178), was enacted in acknowledgement of the State's obligation to native Hawaiians by requiring HPHA and other departments and agencies that collect receipts from the lands within the public land trust to determine and transfer to OHA a portion of those receipts. Section 5 of Act 178 required an accounting by departments and agencies that use or manage public lands by January 1 of each year. Your Committee notes the testimony of OHA, which indicated that HPHA has never submitted a report in compliance with Act 178 since 2006.

Upon consideration, your Committee has amended this concurrent resolution by:

- (1) Deleting its contents and inserting substantive language, the purpose of which is to request HPHA to carry out its accounting and reporting responsibilities under section 5 of Act 178; and
- (2) Amending the title of the concurrent resolution to reflect: "HOUSE CONCURRENT RESOLUTION REQUESTING THE HAWAII PUBLIC HOUSING AUTHORITY TO CARRY OUT ITS RESPONSIBILITIES UNDER SECTION 5 OF ACT 178, SESSION LAWS OF HAWAII 2006."

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. 168, 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. 168, H.D. 1.

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

**SCRep. 1294      Education on H.R. No. 201**

The purpose of this resolution is to more efficiently and accurately assess student performance in certain grades by urging the Superintendent of Education to prepare a letter to the United States Department of Education and the United States Congress asking that states be allowed to accept the American College Testing Scholastic Aptitude examination as a benchmark for determining compliance by school districts for applicable grade levels with federal No Child Left Behind requirements.

The Hawaii State Teachers Association and several concerned individuals supported this measure. The Department of Education (DOE) opposed this measure.

Your Committee has amended this resolution by:

- (1) Amending its title to clarify the name of the exam to read: "URGING THE UNITED STATES DEPARTMENT OF EDUCATION TO ACCEPT THE NATIONALLY RECOGNIZED ACT COLLEGE ADMISSION EXAM RESULTS FOR DETERMINING IF A SCHOOL IS MEETING "NO CHILD LEFT BEHIND" COMPLIANCE";
- (2) Requesting that DOE review whether the ACT is an appropriate substitution for the Hawaii State Assessment and what the potential associated costs may be; 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. 201, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 201, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Awana, Hanohano, Mizuno, Saiki and Wooley.

**SCRep. 1295 Education on H.C.R. No. 230**

The purpose of this concurrent resolution is to more efficiently and accurately assess student performance in certain grades by urging the Superintendent of Education to prepare a letter to the United States Department of Education and the United States Congress asking that states be allowed to accept the American College Testing Scholastic Aptitude examination as a benchmark for determining compliance by school districts for applicable grade levels with federal No Child Left Behind requirements.

The Hawaii State Teachers Association and several concerned individuals supported this measure. The Department of Education (DOE) opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to clarify the name of the exam to read: "URGING THE UNITED STATES DEPARTMENT OF EDUCATION TO ACCEPT THE NATIONALLY RECOGNIZED ACT COLLEGE ADMISSION EXAM RESULTS FOR DETERMINING IF A SCHOOL IS MEETING "NO CHILD LEFT BEHIND" COMPLIANCE";
- (2) Requesting that DOE review whether the ACT is an appropriate substitution for the Hawaii State Assessment and what the potential associated costs may be; 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. 230, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 230, H.D. 1.

Signed by all members of the Committee except Representatives Aquino, Awana, Hanohano, Mizuno, Saiki and Wooley.

**SCRep. 1296 Public Safety & Military Affairs on H.R. No. 114**

The purpose of this resolution is to care for domestic animals owned by members of the United States military and U.S. Coast Guard who are required to deploy or relocate by requesting the military and Coast Guard to convene a working group with local animal shelters and rescue organizations and make resources available to improve the opportunities for continual care of these animals.

The Hawaiian Humane Society, Hawaii Cat Foundation, Hawaii Happy Cats, Inc., Catfriends, and many concerned individuals supported this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 114 and recommends its adoption.

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

**SCRep. 1297 Public Safety & Military Affairs on H.C.R. No. 134**

The purpose of this concurrent resolution is to care for domestic animals owned by members of the United States military and U.S. Coast Guard who are required to deploy or relocate by requesting the military and Coast Guard to convene a working group with local animal shelters and rescue organizations and make resources available to improve the opportunities for continual care of these animals.

The Hawaiian Humane Society, Hawaii Cat Foundation, Hawaii Happy Cats, Inc., Catfriends, and many concerned individuals supported this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134 and recommends its adoption.

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

**SCRep. 1298 Judiciary on H.R. No. 53**

The purpose of this resolution is to recognize the month of April as "Sexual Assault Awareness and Prevention Month," to:

- (1) Provide a special opportunity to educate the people of Hawaii about sexual violence;
- (2) Promote awareness of sexual violence and strategies to decrease incidents of sexual assault;
- (3) Encourage the prevention of sexual assault, the improved treatment of its survivors, and the prosecution of its perpetrators; and

- (4) Recognize community organizations and private sector supporters for promoting awareness about sexual assault and providing information and treatment to survivors of sexual assault.

The American Civil Liberties Union of Hawaii and several concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53 and recommends its adoption.

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

**SCRep. 1299      Judiciary on H.C.R. No. 60**

The purpose of this concurrent resolution is to recognize the month of April as "Sexual Assault Awareness and Prevention Month," to:

- (1) Provide a special opportunity to educate the people of Hawaii about sexual violence;
- (2) Promote awareness of sexual violence and strategies to decrease incidents of sexual assault;
- (3) Encourage the prevention of sexual assault, the improved treatment of its survivors, and the prosecution of its perpetrators; and
- (4) Recognize community organizations and private sector supporters for promoting awareness about sexual assault and providing information and treatment to survivors of sexual assault.

The American Civil Liberties Union of Hawaii and several concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60 and recommends its adoption.

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

**SCRep. 1300      Judiciary on S.B. No. 1533**

The purpose of this bill is to clarify that only harm to insects or rodents is exempted from the offense of cruelty to animals in the second degree by deleting the exception for vermin and other pests.

The Humane Society of the United States and many concerned individuals testified in support of this bill. The Hawaiian Humane Society supported the intent of this measure. A concerned individual opposed this bill. The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and Hawaii Pest Control Association provided comments on this measure.

Your Committee finds that the deletion of "vermin or other pests" from the current law raises concerns as to the ability of pest control operators to properly perform their work. This amendment would also limit individuals from handling "pests," such as coqui frogs, mongoose, and reptiles, even where it was done in accordance with standard and acceptable practices.

Your Committee is in favor of the bill's intent to prevent cruel treatment of animals that may be viewed by some as pests. However, your Committee finds that retaining the original list of animal groups covered under current law and adding further conditions will better meet this intent, including that any handling of "insects, vermin, or other pests" must comply with all laws and regulations applicable to pest control practices.

Your Committee further notes that "other pests" has not been interpreted to include "pet animals" as defined in this chapter and accordingly finds that language specifically excluding pet animals from this paragraph would be redundant.

Your Committee has amended this bill by:

- (1) Reinstating the phrase "vermin or other pests" to those creatures excepted from the offense of cruelty to animals in the second degree;
- (2) Requiring that any handling or extermination of insects, vermin, or other pests be conducted in accordance with standard and acceptable pest control practices and all applicable laws and regulations; and
- (3) Changing the effective date to July 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 S.B. No. 1533, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1533, 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, McKelvey, B. Oshiro and Souki.

**SCRep. 1301      Judiciary on S.B. No. 105**

The purpose of this bill is to adopt the Uniform Real Property Transfer on Death Act to authorize the transfer of real property to designated beneficiaries through a transfer on death deed thereby avoiding probate requirements.

Hawaii's Uniform Law Commissioners and a concerned individual testified in support of this measure.

Your Committee has amended this bill by:

- (1) Adding an exemption to the conveyance tax for those transfer on death deeds that fully comply with recording requirements established under the Uniform Real Property Transfer on Death Act;
- (2) Changing its effective date to July 1, 2011; 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. 105, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 105, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, McKelvey, B. Oshiro and Souki.

**SCRep. 1302      Judiciary on S.B. No. 1067**

The purpose of this bill is to allow for more effective and specific mental health treatment to offenders on probation by:

- (1) Clarifying that certain adult probation records may be released to mental health service providers who are nationally accredited or licensed by the State for the purpose of therapy or rehabilitation; and
- (2) Establishing procedures to protect against improper disclosure of confidential information.

The Hawaii Substance Abuse Coalition, Domestic Violence Action Center, The Salvation Army, and Ku Aloha Ola Mau testified in support of this measure. The Judiciary supported the intent of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Adding that the information may be given upon the screening for admission to a program to provide clearer disclosure guidelines; and
- (2) Changing the effective date to January 7, 2059, and adding a sunset date.

As affirmed by the record of votes of 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. 1067, 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. 1067, S.D. 1, H.D. 2.

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

**SCRep. 1303      Health on H.C.R. No. 69**

The purpose of this concurrent resolution is to move toward stabilizing health care costs and controlling prescription drug prices through regulation of pharmacy benefit management companies. To this end, the Auditor is requested to conduct a sunrise review of the regulation of pharmacy benefit management companies, as proposed under H.B. No. 275., and submit a report to the Legislature at least 20 days prior to the convening of the 2012 Regular Session.

The Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 69 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1304      Health on H.C.R. No. 196**

The purpose of this concurrent resolution is to improve infant health by reducing the instances of elective cesarean sections and induced labor in Hawaii through the development of standardized guidelines about these procedures, and through increased awareness of the potential infant health risks with which they are associated. To this end, this resolution establishes the Preterm Birth Task Force with the following objectives:

- (1) Review laws and rules governing the licensure of hospitals in the State;
- (2) Determine if all hospitals with obstetric units in the State should be required to develop standardized policies and procedures that conform with the American College of Obstetricians and Gynecologists or the Institute for Healthcare Improvement guidelines for reducing elective and cesarean deliveries;
- (3) Research and maintain current interdisciplinary best practices training materials;

- (4) Maintain a learning collaboration model for health care practitioners, physicians, staff, and registrars of hospitals, community health centers, and other institutions in the State;
- (5) Develop and implement a public awareness campaign to educate the public on the risks of elective preterm cesarean sections and induction of labor, and track data on the effectiveness of the campaign;
- (6) Track data relating to the rate of preterm births in Hawaii and the effect that changes in the rate of preterm births may have on infant morbidity and mortality; and
- (7) Examine other issues that may be related to elective preterm cesarean sections and induction of labor using trends and other information obtained through public health records.

The Task Force is to be comprised of representatives from the Department of Health (DOH) and Department of Human Services, healthcare providers, nonprofit agencies concerned with infant health, and physicians specializing in obstetrics or gynecology. Further, the Task Force is requested to submit a report of its findings and recommendations to the Legislature at least 20 days prior to the convening of the 2012 Regular Session.

The John A. Burns School of Medicine, Healthy Mothers Healthy Babies, March of Dimes Foundation-Hawaii Chapter and a concerned individual testified in support of this measure. DOH supported the intent of this measure. Hawaii Medical Association offered comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1305      Health on H.C.R. No. 7**

The purpose of this concurrent resolution is to encourage breastfeeding by new mothers by encouraging the University of Hawaii John A. Burns School of Medicine (JABSOM) and the School of Nursing and Dental Hygiene to include breastfeeding in an education curriculum to educate medical professions to advocate and promote breastfeeding among expectant and new mothers.

The Hawaii Chapter—American Physical Therapy Association; Healthy Mothers, Healthy Babies Coalition of Hawaii; and a concerned individual supported this measure. JABSOM supported the intent of this measure. The School of Nursing and Dental Hygiene provided comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1306      Health on H.R. No. 186**

The purpose of this resolution is to ensure greater public access to, and an equitable distribution of, mental health services throughout the State by requesting the creation of a Hawaii Mental Health Commission to develop a unified state mental health delivery service across the State, to include certain authority, duties, responsibilities, and jurisdiction of the Department of Health.

The Department of Health opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 186, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 186, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1307      Health on H.C.R. No. 215**

The purpose of this concurrent resolution is to ensure greater public access to, and an equitable distribution of, mental health services throughout the State by requesting the creation of a Hawaii Mental Health Commission to develop a unified state mental health delivery service across the State, to include certain authority, duties, responsibilities, and jurisdiction of the Department of Health.

The Department of Health opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 215, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 215, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1308 Hawaiian Affairs/Water, Land, & Ocean Resources on H.C.R. No. 114**

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources (DLNR), in collaboration with the Friends of 'Iolani Palace, to fund:

- (1) Repairs of the wrought iron fence and brick wall surrounding Pohukaina; and
- (2) The placement of signage fronting the Paepaekapu Stone in front of the Kana'ina Building, or Old Archives.

The Office of Hawaiian Affairs, Papa Ola Lokahi, Association of Hawaiian Civic Clubs, Sovereign Councils of the Hawaiian Homelands Assembly, and several concerned individuals testified in support of this measure. 'Iolani Palace testified in opposition to this measure. DLNR commented on this measure.

Your Committees have amended this concurrent resolution by:

- (1) Urging DLNR, in collaboration with the Friends of 'Iolani Palace, to remove the parking from the grounds of 'Iolani Palace; 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 concur with the intent and purpose of H.C.R. No. 114, as amended herein, and recommend 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 Herkes, Pine and Riviere.

**SCRep. 1309 Hawaiian Affairs/Agriculture on H.R. No. 153**

The purpose of this resolution is to support the production and consumption of poi and other taro products by:

- (1) Requesting each public school within a regional administrative district in which taro farms are located to serve poi or other taro products under the School Meals Program not less than once per week; provided that each school is requested to purchase the poi or taro product from a taro farm located within its regional administrative district; and
- (2) Requesting the Director of the Agriculture Education Program established under section 302A-431.7, Hawaii Revised Statutes, to arrange for interested schools, classes, or students to work, volunteer, or study on a taro farm located within the regional administrative district of the interested school, class, or students; provided that the arrangement may accommodate a school or class project, provide school credit, or fulfill a public-service requirement.

Papa Ola Lokahi and several concerned individuals supported this resolution. The Department of Agriculture supported the intent of this measure. The Department of Education and a concerned individual opposed this resolution.

Your Committees have amended this resolution by:

- (1) Requesting each public school within a regional administrative district in which taro farms are located to serve poi or other taro products under the School Meals Program, without specifying the frequency;
- (2) Specifying that where it is feasible, each school is requested to purchase the poi or taro product from a taro farm located within its regional administrative district; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees also note that some concerns about food safety were expressed.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 153, as amended herein, and recommend that it be referred to the Committee on Education, in the form attached hereto as H.R. No. 153, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Mizuno, Tokioka and Riviere.

**SCRep. 1310 Hawaiian Affairs/Agriculture on H.C.R. No. 177**

The purpose of this concurrent resolution is to support the production and consumption of poi and other taro products by:

- (1) Requesting each public school within a regional administrative district in which taro farms are located to serve poi or other taro products under the School Meals Program not less than once per week; provided that each school is requested to purchase the poi or taro product from a taro farm located within its regional administrative district; and
- (2) Requesting the Director of the Agriculture Education Program established under section 302A-431.7, Hawaii Revised Statutes, to arrange for interested schools, classes, or students to work, volunteer, or study on a taro farm located within the regional administrative district of the interested school, class, or students; provided that the arrangement may accommodate a school or class project, provide school credit, or fulfill a public-service requirement.

Papa Ola Lokahi and several concerned individuals supported this concurrent resolution. The Department of Agriculture supported the intent of this measure. The Department of Education and a concerned individual opposed this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Requesting each public school within a regional administrative district in which taro farms are located to serve poi or other taro products under the School Meals Program, without specifying the frequency;
- (2) Specifying that where it is feasible, each school is requested to purchase the poi or taro product from a taro farm located within its regional administrative district; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees also note that some concerns about food safety were expressed.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 177, as amended herein, and recommend that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 177, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Mizuno, Tokioka and Riviere.

**SCRep. 1311 Hawaiian Affairs on H.R. No. 258**

The purpose of this resolution is to correct misinformation about the history of Hawaii by expressing legislative support for and requesting the removal of the term "Treaty of Annexation" cast in bronze on the statue of President McKinley on the grounds of McKinley High School. The so-called "Treaty of Annexation" never existed and was never implemented. President McKinley signed a joint resolution of annexation on July 7, 1898, that was passed by the United States House of Representatives and the United States Senate, purporting to annex the Hawaiian Islands as a war necessity.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, I Love Kalihi Valley, Ka Lei Maile Alii Hawaiian Civic Club, Kosmos Indigena, Sovereign Councils of the Hawaiian Homelands Assembly, The Hawaiian Kingdom, and many concerned individuals supported this measure. Several concerned individuals 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 concurs with the intent and purpose of H.R. No. 258 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1312 Hawaiian Affairs on H.C.R. No. 293**

The purpose of this concurrent resolution is to correct misinformation about the history of Hawaii by expressing legislative support for and requesting the removal of the term "Treaty of Annexation" cast in bronze on the statue of President McKinley on the grounds of McKinley High School. The so-called "Treaty of Annexation" never existed and was never implemented. President McKinley signed a joint resolution of annexation on July 7, 1898, that was passed by the United States House of Representatives and the United States Senate, purporting to annex the Hawaiian Islands as a war necessity.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, I Love Kalihi Valley, Ka Lei Maile Alii Hawaiian Civic Club, Kosmos Indigena, Sovereign Councils of the Hawaiian Homelands Assembly, The Hawaiian Kingdom, and many concerned individuals supported this measure. Several concerned individuals 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 concurs with the intent and purpose of H.C.R. No. 293 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1313 Judiciary on H.R. No. 116**

The purpose of this resolution is to ensure a representative form of government and determine if closed primary elections have an effect on voter turnout by requesting the Legislative Reference Bureau to conduct a study of the types of closed primary elections conducted in other states and the corresponding effect, if any, on voter turnout in those jurisdictions.

The Hawaii Family Forum testified in opposition to this measure. The Legislative Reference Bureau provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 116 and recommends that it be referred to the Committee on Legislative Management.

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



**SCRep. 1314      Judiciary on H.C.R. No. 136**

The purpose of this concurrent resolution is to ensure a representative form of government and determine if closed primary elections have an effect on voter turnout by requesting the Legislative Reference Bureau to conduct a study of the types of closed primary elections conducted in other states and the corresponding effect, if any, on voter turnout in those jurisdictions.

The Hawaii Family Forum testified in opposition to this measure. The Legislative Reference Bureau provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 136 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1315      Judiciary on H.R. No. 117**

The purpose of this resolution is to find viable alternatives to incarceration for drug possession offenders by requesting that the Attorney General assess the impact of diverting drug possession offenders from the criminal justice system to drug treatment programs.

The Community Alliance on Prisons, The Drug Policy Action Group, Hawaii Substance Abuse Coalition, Ku Aloha Ola Mau, American Civil Liberties Union of Hawaii, and The Drug Policy Forum of Hawaii testified in support of this measure. The Department of the Attorney General testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 117 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1316      Judiciary on H.C.R. No. 137**

The purpose of this concurrent resolution is to find viable alternatives to incarceration for drug possession offenders by requesting that the Attorney General assess the impact of diverting drug possession offenders from the criminal justice system to drug treatment programs.

The Community Alliance on Prisons, The Drug Policy Action Group, Hawaii Substance Abuse Coalition, Ku Aloha Ola Mau, American Civil Liberties Union of Hawaii, and The Drug Policy Forum of Hawaii testified in support of this measure. The Department of the Attorney General testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1317      Agriculture/Higher Education on H.R. No. 77**

The purpose of this resolution is to request the Department of Agriculture (DOA), in cooperation with the University of Hawaii College of Tropical Agriculture and Human Resources (UHCTAHR), to convene a working group to evaluate the current laws, rules, and standards of practice regarding high risk plants requiring intervention.

The Coordinating Group on Alien Pest Species (CGAPS) and several concerned individuals supported this measure. The Nature Conservancy of Hawaii supported the intent of this measure. DOA opposed this measure. UHCTAHR, Hawaii Farm Bureau Federation, and the Legislative Reference Bureau (LRB) submitted comments.

In light of concerns raised during the public hearing, your Committees have amended this resolution by:

- (1) Deleting from the working group the two representatives of the Hawaii Invasive Species Council (HISC);
- (2) Adding to the working group a representative from:
  - (A) DOA;
  - (B) Department of Land and Natural Resources;
  - (C) The horticulture industry;
  - (D) The aquaculture industry; and
  - (E) The livestock industry;
- (3) Extending the deadlines for the working draft, to be completed by HISC and CGAPS, and the final report to the Legislature, to be completed by LRB, by one year; and

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

As affirmed by the records of votes of the members of your Committees on Agriculture and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 77, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Hanohano, McKelvey, Wooley, Ching and Riviere.

**SCRep. 1318 Agriculture/Higher Education on H.C.R. No. 84**

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA), in cooperation with the University of Hawaii College of Tropical Agriculture and Human Resources (UHCTAHR), to convene a working group to evaluate the current laws, rules, and standards of practice regarding high risk plants requiring intervention.

The Coordinating Group on Alien Pest Species (CGAPS) and several concerned individuals supported this measure. The Nature Conservancy of Hawaii supported the intent of this measure. DOA opposed this measure. UHCTAHR, Hawaii Farm Bureau Federation, and the Legislative Reference Bureau (LRB) submitted comments.

In light of concerns raised during the public hearing, your Committees have amended this concurrent resolution by:

- (1) Deleting from the working group the two representatives of the Hawaii Invasive Species Council (HISC);
- (2) Adding to the working group a representative from:
  - (A) DOA;
  - (B) Department of Land and Natural Resources;
  - (C) The horticulture industry;
  - (D) The aquaculture industry; and
  - (E) The livestock industry;
- (3) Extending the deadlines for the working draft, to be completed by HISC and CGAPS, and the final report to the Legislature, to be completed by LRB, by one year; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 84, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 84, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Hanohano, McKelvey, Wooley, Ching and Riviere.

**SCRep. 1319 Higher Education/Culture & the Arts on H.C.R. No. 120**

The purpose of this concurrent resolution is to help provide an additional means of academic training in the interdisciplinary analysis of social issues and problems critical to the engagement of and policymaking for multi-ethnic communities by requesting the University of Hawaii Board of Regents to establish a master's degree program in ethnic studies in the Ethnic Studies Department at the University of Hawaii (UH) at Manoa by the fall semester of 2013, and to report on the progress of the program's establishment prior to the 2012 legislative session.

The Ethnic Studies Department at UH Manoa, ILWU Local 142, Philippine Workers Support Committee, Director of the SEED Office at UH Manoa, and several concerned individuals supported this measure. UH opposed this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Culture & the Arts that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 120 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Belatti, Chang, Saiki, Takumi and Pine.

**SCRep. 1320 Higher Education on H.C.R. No. 261**

The purpose of this concurrent resolution is to help preserve Hawaii's botanical heritage and the local character of the University of Hawaii (UH) at Manoa by requesting UH to refrain from removing trees with historic value by designing new and expanded buildings in a way that will permit the preservation of these trees.

The Outdoor Circle and several concerned individuals supported this measure.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE UNIVERSITY OF HAWAII TO CATALOGUE ALL TREES OF HISTORIC VALUE AND ADOPT A PROCEDURE FOR BUILDING DESIGN, CONSTRUCTION, AND EXPANSION THAT PERMITS THE PRESERVATION OF SUCH TREES";
- (2) Amending the request by requesting UH to catalogue all trees of historic value and adopt a procedure for building design, construction, and expansion that permits the preservation of such trees; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 261, as amended herein, and recommends that it be referred to the Committee on Culture & the Arts in the form attached hereto as H.C.R. No. 261, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Belatti, Chang, Saiki and Takumi.

**SCRep. 1321 Human Services on H.R. No. 112**

The purpose of this resolution is to request the Department of the Attorney General to review federal and state confidentiality laws and agency rules pertaining to court involved, multi-agency youth.

The Department of Education and two individuals testified in support of this concurrent resolution. The Department of Human Services 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. 112 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1322 Human Services on H.C.R. No. 132**

The purpose of this concurrent resolution is to request the Department of the Attorney General to review federal and state confidentiality laws and agency rules pertaining to court involved, multi-agency youth.

The Department of Education and two individuals testified in support of this concurrent resolution. The Department of Human Services 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.C.R. No. 132 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1323 Human Services on H.R. No. 136**

The purpose of his resolution is to create a specialized domestic violence unit within the Child Welfare Services Branch of the Department of Human Services to address and respond to child welfare cases where an allegation of domestic violence has been identified.

Family Intervention and Training Services - Coalition for A Drug-Free Hawaii, Papa Ola Lokahi, and several individuals testified in support of this resolution.

The Department of Human Services testified in opposition. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1324 Human Services on H.C.R. No. 155**

The purpose of his concurrent resolution is to create a specialized domestic violence unit within the Child Welfare Services Branch of the Department of Human Services to address and respond to child welfare cases where an allegation of domestic violence has been identified.

Family Intervention and Training Services - Coalition for A Drug-Free Hawaii, Papa Ola Lokahi, Hawaii State Coalition Against Domestic Violence, and several individuals testified in support of this concurrent resolution.

The Department of Human Services testified in opposition. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 155 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1325      Health on H.R. No. 61**

The purpose of this resolution is to provide greater affordability of and access to palliative care treatment for acute and chronic pain patients by requesting that accident and health or sickness insurers in Hawaii, including mutual benefit societies and health maintenance organizations, provide coverage for palliative care health services.

The Representative of the 38<sup>th</sup> District, American Cancer Society, Hawaii Medical Association, and St. Francis Healthcare System of Hawaii testified in support of this measure. The Hawaii Chapter of the American Physical Therapy Association offered comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1326      Health on H.C.R. No. 68**

The purpose of this concurrent resolution is to provide greater affordability of and access to palliative care treatment for acute and chronic pain patients by requesting that accident and health or sickness insurers in Hawaii, including mutual benefit societies and health maintenance organizations, provide coverage for palliative care health services.

The Representative of the 38<sup>th</sup> District, American Cancer Society, Hawaii Medical Association, and St. Francis Healthcare System of Hawaii testified in support of this measure. The Hawaii Chapter of the American Physical Therapy Association offered comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1327      Health on H.R. No. 48**

The purpose of this resolution is to increase the quality of and access to palliative care treatment for acute and chronic pain patients by requesting the Hawaii State Board of Nursing to develop and implement a pain and palliative care policy, and submit a report to the Legislature at least 20 days prior to the 2012 Regular Session.

The Representative of the 38<sup>th</sup> District, American Cancer Society, Hawaii Family Forum, St. Francis Healthcare System of Hawaii, Hawaii Catholic Conference, and Hawaii Chapter of the American Physical Therapy Association testified in support of this measure. Hawaii Medical Association offered comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 48 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1328      Health on H.C.R. No. 55**

The purpose of this concurrent resolution is to increase the quality of and access to palliative care treatment for acute and chronic pain patients by requesting the Hawaii State Board of Nursing to develop and implement a pain and palliative care policy, and submit a report to the Legislature at least 20 days prior to the 2012 Regular Session.

The Representative of the 38<sup>th</sup> District, American Cancer Society, Hawaii Family Forum, St. Francis Healthcare System of Hawaii, Hawaii Catholic Conference, and Hawaii Chapter of the American Physical Therapy Association testified in support of this measure. Hawaii Medical Association offered comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1329      Health on H.C.R. No. 25**

The purpose of this concurrent resolution is to determine the feasibility of offering palliative care insurance coverage by requesting the Auditor to conduct a financial and social impact assessment report of mandated insurance coverage for palliative care for acute and chronic pain patients.

The Representative of the 38<sup>th</sup> District, American Cancer Society, Hawaii Chapter of the American Physical Therapy Association, St. Francis Healthcare System of Hawaii, and Hawaii Medical Association supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 25 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1330 Hawaiian Affairs on H.R. No. 283**

The purpose of this resolution is to request the Department of Hawaiian Home Lands (DHHL) to convene a task force to:

- (1) Study the:
  - (A) Feasibility of developing an arena and testing and inspection facility on Hawaiian Home Lands on Molokai as a pilot project for testing backyard poultry flocks for avian diseases;
  - (B) Potential economic, social, tourism, and health effects that would result from construction of an arena and testing and inspection facility for backyard poultry flocks on Molokai; and
  - (C) Feasibility of developing similar arenas and testing and inspection facilities for backyard poultry flocks on Hawaiian Home Lands on other islands of the State;

and
- (2) Submit a report of its findings, including its recommendations and any proposed legislation, to the Legislature no later than 180 days prior to the convening of the 2012 Regular Session.

Molokai Homestead Farmers Alliance, Molokai Game Fowl Association, Sovereign Councils of the Hawaiian Homelands Assembly, the Executive Board of the Ahupua'a-Mokupuni o Moloka'i, and several concerned individuals testified in support of this measure. A concerned individual testified in opposition to this measure. DHHL and the Legislative Reference Bureau submitted comments.

Your Committee has amended this measure by:

- (1) Including individuals from the following agencies and organizations on the task force: Department of Health, Department of the Attorney General, Department of Transportation, University of Hawaii College of Tropical Agriculture and Human Resources, Ho'olehua Livestock Association, and Ho'olehua Homestead Association;
- (2) Specifying that the chairperson of the task force shall be selected by the members of the agencies and organizations involved and shall report back to the Chairperson of the Hawaiian Homes Commission;
- (3) Requesting that the task force report be submitted to the Legislature prior to November 1, 2011;
- (4) Specifying that the task force shall be dissolved after the adjournment of the 2012 Regular Session; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style, and to reflect the proper spelling and names of various organizations on the task force.

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. 283, as amended herein, and recommends that it be referred to the Committee on Agriculture in the form attached hereto as H.R. No. 283, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1331 Hawaiian Affairs on H.C.R. No. 318**

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands (DHHL) to convene a task force to:

- (1) Study the:
  - (A) Feasibility of developing an arena and testing and inspection facility on Hawaiian Home Lands on Molokai as a pilot project for testing backyard poultry flocks for avian diseases;
  - (B) Potential economic, social, tourism, and health effects that would result from construction of an arena and testing and inspection facility for backyard poultry flocks on Molokai; and
  - (C) Feasibility of developing similar arenas and testing and inspection facilities for backyard poultry flocks on Hawaiian Home Lands on other islands of the State;

and
- (2) Submit a report of its findings, including its recommendations and any proposed legislation, to the Legislature no later than 180 days prior to the convening of the 2012 Regular Session.

Molokai Homestead Farmers Alliance, Molokai Game Fowl Association, Sovereign Councils of the Hawaiian Homelands Assembly, the Executive Board of the Ahupua'a-Mokupuni o Moloka'i, and several concerned individuals testified in support of this measure. A concerned individual testified in opposition to this measure. DHHL and the Legislative Reference Bureau submitted comments.

Your Committee has amended this measure by:

- (1) Including individuals from the following agencies and organizations on the task force: Department of Health, Department of the Attorney General, Department of Transportation, University of Hawaii College of Tropical Agriculture and Human Resources, Ho'olehua Livestock Association, and Ho'olehua Homestead Association;
- (2) Specifying that the chairperson of the task force shall be selected by the members of the agencies and organizations involved and shall report back to the Chairperson of the Hawaiian Homes Commission;
- (3) Requesting that the task force report be submitted to the Legislature prior to November 1, 2011;
- (4) Specifying that the task force shall be dissolved after the adjournment of the 2012 Regular Session; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style, and to reflect the proper spelling and names of various organizations on the task force.

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. 318, as amended herein, and recommends that it be referred to the Committee on Agriculture in the form attached hereto as H.C.R. No. 318, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1332          Judiciary on H.R. No. 174**

The purpose of this resolution is to work toward maintaining Hawaii's consistency with other states in certain rules and procedures particularly with rules of evidence by requesting the Standing Committee on the Rules of Evidence of the Hawaii Supreme Court to study and report to the Legislature on the implementation of the Hawaii Uniform Collaborative Law Act.

The Commission to Promote Uniform Legislation testified in support of this measure. The Hawaii Supreme Court Standing Committee on the Rules of Evidence supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 174 and recommends its adoption.

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

**SCRep. 1333          Judiciary on H.C.R. No. 202**

The purpose of this concurrent resolution is to work toward maintaining Hawaii's uniformity with other states in certain rules and procedures by requesting the Standing Committee on the Rules of Evidence of the Hawaii Supreme Court to study and report to the Legislature on the implementation of the Hawaii Uniform Collaborative Law Act.

The Commission to Promote Uniform Legislation testified in support of this measure. The Hawaii Supreme Court Standing Committee on the Rules of Evidence supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 202 and recommends its adoption.

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

**SCRep. 1334          Human Services on H.R. No. 72**

The purpose of this resolution is to request the United States Congress to review Federal laws and regulations to allow states to enact unemployment compensation-related laws that allow fear of domestic or sexual violence to be a valid reason for not accepting suitable work.

Three individuals testified in support of this resolution. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this measure by urging the United States Congress to consider funding sources, other than the states' unemployment trust fund accounts or other accounts that receive funding from employers, for compensating individuals who would otherwise have qualified for unemployment insurance, except for their being unable to meet the acceptance-of-suitable-work requirements and "able and available" work requirements of the federal unemployment compensation law due to fear of domestic or sexual violence.

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. 72, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 72, H.D. 2.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1335 Human Services on H.C.R. No. 80**

The purpose of this concurrent resolution is to request the United States Congress to review Federal laws and regulations to allow states to enact unemployment compensation-related laws that allow fear of domestic or sexual violence to be a valid reason for not accepting suitable work.

Three individuals testified in support of this concurrent resolution. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this measure by urging the United States Congress to consider funding sources, other than the states' unemployment trust fund accounts or other accounts that receive funding from employers, for compensating individuals who would otherwise have qualified for unemployment insurance, except for their being unable to meet the acceptance-of-suitable-work requirements and "able and available" work requirements of the federal unemployment compensation law due to fear of domestic or sexual violence.

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. 80, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 80, H.D. 2.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1336 Health on H.R. No. 180**

The purpose of this resolution is to raise awareness with respect to women's health by recognizing October as Women's Health Month.

The American Cancer Society Hawaii Pacific Inc., Healthy Mothers Healthy Babies, and Planned Parenthood of Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 180 and recommends its adoption.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1337 Health on H.C.R. No. 209**

The purpose of this concurrent resolution is to raise awareness with respect to women's health by recognizing October as Women's Health Month.

The American Cancer Society Hawaii Pacific Inc., Healthy Mothers Healthy Babies, and Planned Parenthood of Hawaii testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 209 and recommends its adoption.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1338 Health on H.C.R. No. 4**

The purpose of this concurrent resolution is to promote new research and new approaches to diagnosis and treatment of lupus by proclaiming the month of May of each year as "Lupus Awareness Month" in Hawaii.

Lupus Hawaii, Hawaii Medical Association, and a concerned individual supported this measure.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 4, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 4, H.D. 1.

Signed by all members of the Committee except Representative C. Lee.

**SCRep. 1339 Agriculture/Energy & Environmental Protection on H.C.R. No. 238**

The purpose of this concurrent resolution is to support the development of the shellfish aquaculture industry in Hawaii by requesting the Department of Health (DOH) to take various actions to facilitate the implementation of a statewide classification program for shellfish growing areas. This measure also requests DOH to assist in developing shellfish for seed production and seafood production for local consumption and export, and to expedite the creation of a bivalve shellfish industry within Hawaii.

DOH, University of Hawaii, Hawaii Farm Bureau Federation, Hawaii Aquaculture and Aquaponics Association, Cates International, Inc., and several concerned individuals supported this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 238 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong, Choy, Har, Ito, McKelvey, Nishimoto, Tokioka and Marumoto.

**SCRep. 1340      Agriculture/Hawaiian Affairs on H.R. No. 208**

The purpose of this resolution is to urge the Department of Hawaiian Home Lands (DHHL) to release pastoral and agricultural leases to its beneficiaries.

DHHL supported this measure. Several concerned individuals submitted comments.

Your Committees note that a concerned individual testifying during the public hearing indicated that evaluators under contract to DHHL to assess the individual's application for a DHHL lease had apparently denied the lease to the individual. According to this individual's testimony, the decision was appealed in the circuit court and the judge agreed with the individual's appeal. However, your Committees note that DHHL testified that litigation is still ongoing.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 208 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Choy, Jordan, McKelvey, Mizuno, Nishimoto, Marumoto and Ward.

**SCRep. 1341      Agriculture/Hawaiian Affairs on H.C.R. No. 245**

The purpose of this concurrent resolution is to urge the Department of Hawaiian Home Lands (DHHL) to release pastoral and agricultural leases to its beneficiaries.

DHHL supported this measure. Several concerned individuals submitted comments.

Your Committees note that a concerned individual testifying during the public hearing indicated that evaluators under contract to DHHL to assess the individual's application for a DHHL lease had apparently denied the lease to the individual. According to this individual's testimony, the decision was appealed in the circuit court and the judge agreed with the individual's appeal. However, your Committees note that DHHL testified that litigation is still ongoing.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 245 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Choy, Jordan, McKelvey, Mizuno, Nishimoto, Marumoto and Ward.

**SCRep. 1342      Agriculture/Water, Land, & Ocean Resources on H.R. No. 144**

The purpose of this resolution is to request the Department of Accounting and General Services (DAGS) to allow community groups and nonprofit organizations to use state-owned lands to establish an open market in Wahiawa.

Empower Oahu, Wahiawa Community and Business Association, Wahiawa Community Based Development Organization, Hawaii Farm Bureau Federation, and several concerned individuals supported this measure. Wahiawa General Hospital and Wahiawa Hongwanji Mission supported the intent of this measure. DAGS submitted comments.

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. 144 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll, Ito, McKelvey and Tokioka.

**SCRep. 1343      Agriculture/Water, Land, & Ocean Resources on H.C.R. No. 165**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services (DAGS) to allow community groups and nonprofit organizations to use state-owned lands to establish an open market in Wahiawa.

Empower Oahu, Wahiawa Community and Business Association, Wahiawa Community Based Development Organization, Hawaii Farm Bureau Federation, and several concerned individuals supported this measure. Wahiawa General Hospital and Wahiawa Hongwanji Mission supported the intent of this measure. DAGS submitted comments.

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. 165 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Carroll, Ito, McKelvey and Tokioka.

**SCRep. 1344      Agriculture on H.R. No. 207**

The purpose of this resolution is to request the Department of Agriculture (DOA) to enforce the federal trademark for Kona coffee.



The Kona Coffee Farmers Association, Hawaii Coffee Association, Captain Cook Coffee Company, and a concerned individual supported this measure. DOA supported the intent of this measure.

Your Committee has amended this measure by clarifying that enforcement, rather than vigilant enforcement, of the Kona coffee trademark is needed to prevent the sale or distribution of counterfeit coffee labeled as Kona coffee.

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. 207, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 207, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1345      Agriculture on H.C.R. No. 244**

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to enforce the federal trademark for Kona coffee.

The Kona Coffee Farmers Association, Hawaii Coffee Association, Captain Cook Coffee Company, and a concerned individual supported this measure. DOA supported the intent of this measure.

Your Committee has amended this measure by clarifying that enforcement, rather than vigilant enforcement, of the Kona coffee trademark is needed to prevent the sale or distribution of counterfeit coffee labeled as Kona coffee.

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. 244, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 244, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1346      Public Safety & Military Affairs on H.C.R. No. 126**

The purpose of this concurrent resolution is to request the Department of Public Safety (PSD) to determine the feasibility of establishing an early parole eligibility program based on earned-time credits for Hawaii inmates and Hawaii inmates housed in mainland facilities that would allow them a shortened prison stay if they complete educational, vocational, or rehabilitation programs that boost their chances of successful reentry into the community and labor market.

The Community Alliance on Prisons supported this measure.

Your Committee has amended this measure by:

- (1) Requesting PSD to focus the study on the feasibility and risks involved with early paroling based on earned-time credits of Hawaii's non-violent and low-level drug offenders;
- (2) Amending the measure's title to read: "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO DETERMINE THE FEASIBILITY OF ESTABLISHING AN EARNED-TIME PROGRAM FOR HAWAII'S NON-VIOLENT AND LOW-LEVEL DRUG OFFENDERS"; 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 Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 126, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 126, H.D. 1.

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

**SCRep. 1347      Public Safety & Military Affairs on H.R. No. 79**

The purpose of this resolution is to expedite family reunification for certain Filipino veterans of World War II by urging the President of the United States to support the Filipino Veterans Family Reunification Act of 2009 that exempts children of certain Filipino World War II veterans from the numerical limitation on immigrant visas. The measure also supports similar legislation.

Filipinos For Affirmative Action, Filipino American Citizens League, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Oahu Filipino Community Council, and the United Filipino Council of Hawaii supported this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79 and recommends that it be referred to the Committee on International Affairs.

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

**SCRep. 1348      Public Safety & Military Affairs on H.C.R. No. 86**

The purpose of this concurrent resolution is to expedite family reunification for certain Filipino veterans of World War II by urging the President of the United States to support the Filipino Veterans Family Reunification Act of 2009 that exempts children of certain Filipino World War II veterans from the numerical limitation on immigrant visas. The measure also supports similar legislation.

Filipinos For Affirmative Action, Filipino American Citizens League, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Oahu Filipino Community Council, and the United Filipino Council of Hawaii supported this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86 and recommends that it be referred to the Committee on International Affairs.

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

**SCRep. 1349      Public Safety & Military Affairs on H.R. No. 216**

The purpose of this resolution is to assist Filipino war veterans by urging the President of the United States and the United States Congress to expedite payment of war benefits to Filipino veterans who fought in World War II but were subsequently denied their entitled benefits.

The Office of Veterans Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 216 and recommends that it be referred to the Committee on International Affairs.

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

**SCRep. 1350      Public Safety & Military Affairs on H.C.R. No. 253**

The purpose of this concurrent resolution is to assist Filipino war veterans by urging the President of the United States and the United States Congress to expedite payment of war benefits to Filipino veterans who fought in World War II but were subsequently denied their entitled benefits.

The Office of Veterans Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 253 and recommends that it be referred to the Committee on International Affairs.

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

**SCRep. 1351      Public Safety & Military Affairs on H.R. No. 122**

The purpose of this resolution is to urge the criminal justice system to provide additional rights to victims of, surviving immediate family members of, and witnesses to a crime. Moreover, this concurrent resolution, among other things, allows for information exchange, fair treatment, physical protection, and restitution for victims.

A concerned individual supported this measure. The Judiciary offered comments.

Your Committee has amended this resolution by removing the requirement that pre-sentence reports relating to the crime be made available to victims and others.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 122, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 122, H.D. 1.

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

**SCRep. 1352      Public Safety & Military Affairs on H.C.R. No. 140**

The purpose of this concurrent resolution is to urge the criminal justice system to provide additional rights to victims of, surviving immediate family members of, and witnesses to a crime. Moreover, this concurrent resolution, among other things, allows for information exchange, fair treatment, physical protection, and restitution for victims.

A concerned individual supported this measure. The Judiciary offered comments.

Your Committee has amended this concurrent resolution by removing the requirement that pre-sentence reports relating to the crime be made available to victims and others.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 140, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 140, H.D. 1.

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

**SCRep. 1353      Public Safety & Military Affairs on H.R. No. 225**

The purpose of this resolution is to provide fire protection to citizens, property, and fire fighters in Hawaii by requesting the installation of automatic sprinklers or application of certified fire-retardant coatings in newly constructed one- and two-family residential dwellings to be required under the State Building Code.

The International Union of Painters and Allied Trades, District Council 50, and several concerned individuals supported this measure. The Pacific Resource Partnership supported the intent and purpose of this measure. The National Fire Protection Association, State Fire Council, Honolulu Fire Department, Kauai Fire Department, Maui Department of Fire and Public Safety, and a concerned individual opposed this measure.

Your Committee has amended this measure by removing all references to automatic sprinklers and sprinklers. Accordingly, the title of this measure has been amended to read:

"REQUESTING THE APPLICATION OF CERTIFIED FIRE-RETARDANT COATINGS IN NEWLY CONSTRUCTED ONE- AND TWO-FAMILY RESIDENTIAL DWELLINGS TO BE REQUIRED UNDER THE STATE BUILDING CODE."

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 225, as amended herein, and recommends that it be referred to the Committee on Housing in the form attached hereto as H.R. No. 225, H.D. 1.

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

**SCRep. 1354      Public Safety & Military Affairs on H.C.R. No. 263**

The purpose of this concurrent resolution is to provide fire protection to citizens, property, and fire fighters in Hawaii by requesting the installation of automatic sprinklers or application of certified fire-retardant coatings in newly constructed one- and two-family residential dwellings to be required under the State Building Code.

The International Union of Painters and Allied Trades, District Council 50, and several concerned individuals supported this measure. The Pacific Resource Partnership supported the intent and purpose of this measure. The National Fire Protection Association, State Fire Council, Honolulu Fire Department, Kauai Fire Department, Maui Department of Fire and Public Safety, and a concerned individual opposed this measure.

Your Committee has amended this measure by removing all references to automatic sprinklers and sprinklers. Accordingly, the title of this measure has been amended to read:

"REQUESTING THE APPLICATION OF CERTIFIED FIRE-RETARDANT COATINGS IN NEWLY CONSTRUCTED ONE- AND TWO-FAMILY RESIDENTIAL DWELLINGS TO BE REQUIRED UNDER THE STATE BUILDING CODE."

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 263, as amended herein, and recommends that it be referred to the Committee on Housing in the form attached hereto as H.C.R. No. 263, H.D. 1.

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

**SCRep. 1355      Public Safety & Military Affairs/Hawaiian Affairs on H.R. No. 176**

The purpose of this resolution is to help offenders rehabilitate and reenter society, and in turn, save prison space and correctional costs, by requesting the Director of Public Safety to form a task force to initiate the planning and design process to develop a correctional treatment facility to house 1,000 to 1,200 inmates on undeveloped Hawaiian Home Lands on the Big Island.

The Department of Hawaiian Home Lands and several concerned individuals supported this measure. The Community Alliance on Prisons and several concerned individuals offered comments.

Your Committees have amended this measure by:

- (1) Requesting the task force to consider the feasibility of administering and operating a community-based program on undeveloped Hawaiian Home Lands on the Big Island;
- (2) Changing its title to read: "REQUESTING THE DIRECTOR OF PUBLIC SAFETY TO FORM A TASK FORCE TO INITIATE THE PLANNING AND DESIGN PROCESS TO DEVELOP A CORRECTIONAL TREATMENT FACILITY TO HOUSE ONE THOUSAND TO ONE THOUSAND TWO HUNDRED INMATES ON UNDEVELOPED HAWAIIAN HOME LANDS ON THE ISLAND OF HAWAII, AND/OR TO CONSIDER THE FEASIBILITY OF A COMMUNITY-BASED PROGRAM AT THAT LOCATION"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees note that the Department of Public Safety did not provide written or oral testimony on this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 176, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 176, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Luke, Saiki, Takumi, Yamane, Pine and Ward.

**SCRep. 1356      Public Safety & Military Affairs/Hawaiian Affairs on H.C.R. No. 204**

The purpose of this concurrent resolution is to help offenders rehabilitate and reenter society, and in turn, save prison space and correctional costs, by requesting the Director of Public Safety to form a task force to initiate the planning and design process to develop a correctional treatment facility to house 1,000 to 1,200 inmates on undeveloped Hawaiian Home Lands on the Big Island.

The Department of Hawaiian Home Lands and several concerned individuals supported this measure. The Community Alliance on Prisons and several concerned individuals offered comments.

Your Committees have amended this measure by:

- (1) Requesting the task force to consider the feasibility of administering and operating a community-based program on undeveloped Hawaiian Home Lands on the Big Island;
- (2) Changing its title to read: "REQUESTING THE DIRECTOR OF PUBLIC SAFETY TO FORM A TASK FORCE TO INITIATE THE PLANNING AND DESIGN PROCESS TO DEVELOP A CORRECTIONAL TREATMENT FACILITY TO HOUSE ONE THOUSAND TO ONE THOUSAND TWO HUNDRED INMATES ON UNDEVELOPED HAWAIIAN HOME LANDS ON THE ISLAND OF HAWAII, AND/OR TO CONSIDER THE FEASIBILITY OF A COMMUNITY-BASED PROGRAM AT THAT LOCATION"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees note that the Department of Public Safety did not provide written or oral testimony on this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 204, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 204, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Luke, Saiki, Takumi, Yamane, Pine and Ward.

**SCRep. 1357      Human Services/Labor & Public Employment on H.R. No. 217**

The purpose of this resolution is to request the Department of Labor and Industrial Relations and the Department of Human Services to continue to engage in data exchanges in order to verify the eligibility of Medicaid recipients.

The Hawaii Medical Association testified in support of this resolution. The Department of Labor and Industrial Relations and the Department of Human Services provided comments.

Your committees emphasizes that the Department of Labor and Industrial Relations and the Department of Human Services continue to seek more efficient ways in determining the eligibility of Medicaid assistance recipients.

Your committees have amended this resolution by:

- (1) Amending the title to "Requesting the Department of Labor and Industrial Relations and the Department of Human Services to Continue to Engage in Data Exchanges in Order to Verify the Eligibility of Recipients of Medicaid Assistance;" and
- (2) Inserting "to continue" in the body of the resolution wherever appropriate to effectuate the amended title.

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 concur with the intent and purpose of H.R. No. 217, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 217, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Saiki, Takumi and Yamane.

**SCRep. 1358      Human Services/Labor & Public Employment on H.C.R. No. 254**

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations and the Department of Human Services to continue to engage in data exchanges in order to verify the eligibility of Medicaid recipients.

The Hawaii Medical Association testified in support of this concurrent resolution. The Department of Labor and Industrial Relations and the Department of Human Services provided comments.

Your committees emphasizes that the Department of Labor and Industrial Relations and the Department of Human Services continue to seek more efficient ways in determining the eligibility of Medicaid assistance recipients.

Your committees have amended this concurrent resolution by:

- (1) Amending the title to "Requesting the Department of Labor and Industrial Relations and the Department of Human Services to Continue to Engage in Data Exchanges in Order to Verify the Eligibility of Recipients of Medicaid Assistance;" and
- (2) Inserting "to continue" in the body of the resolution wherever appropriate to effectuate the amended title.

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 concur with the intent and purpose of H.C.R. No. 254, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 254, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Saiki, Takumi and Yamane.

**SCRep. 1359 Human Services/Housing on H.R. No. 227**

The purpose of this resolution is to urge the Governor to release or restore funds to the Department of Human Services for early education program serving the homeless children on the Leeward Coast of Oahu.

Papa Ola Lokahi testified in support of this resolution.

Your committees amended this resolution by:

- (1) Releasing the funds that are necessary for the Department of Human Services to fulfill Supplement Contract No. 1 to provide early childhood education only through the Ka Pa'alana Outreach Project on the Leeward Coast; and
- (2) Changing the title to "Urging the Governor to Release or Restore Funds to the Department of Human Services for Early Education Program for the Homeless Children on the Leeward Coast of Oahu;" and
- (3) Deleting services provided by Ka Pa'alana which does not pertain to early education programs; 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 Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 227, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 227, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Herkes, Ito, Yamane and Thielen.

**SCRep. 1360 Human Services/Housing on H.C.R. No. 265**

The purpose of this concurrent resolution is to urge the Governor to release or restore funds to the Department of Human Services for early education program serving the homeless children on the Leeward Coast of Oahu.

Papa Ola Lokahi and Partners in Development Foundation testified in support of this concurrent resolution.

Your committees amended this concurrent resolution by:

- (1) Releasing the funds that are necessary for the Department of Human Services to fulfill Supplement Contract No. 1 to provide early childhood education only through the Ka Pa'alana Outreach Project on the Leeward Coast; and
- (2) Changing the title to "Urging the Governor to Release or Restore Funds to the Department of Human Services for Early Education Program for the Homeless Children on the Leeward Coast of Oahu;" and
- (3) Deleting services provided by Ka Pa'alana which does not pertain to early education programs; 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 Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 265, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 265, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Herkes, Ito, Yamane and Thielen.

**SCRep. 1361 Human Services on H.R. No. 183**

The purpose of this resolution is to encourage the Department of Human Services to consider implementing My Safe Drawer computer application for foster youth who are transitioning out of the foster care system to have a secure repository for vital records.

The Department of Human Services and CGI Technologies and Solutions, Inc. provided comments on this resolution.

Your Committee notes that CGI Technologies and Solutions, Inc. is willing to provide a computer application free of charge to the State of Hawaii in order for foster youth to have a safe, secure, and centralized storage repository for vital records and contacts.

Your Committee amended this resolution by:

- (1) Changing the title to "Encouraging the Department of Human Services to Consider Implementing a Computer Application for Foster Youth Who are Transitioning Out of the Foster Care System; and
- (2) Removing "my safe drawer" from the body of the resolution and replace it with "computer application;" 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 concurs with the intent and purpose of H.R. No. 183, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1362 Human Services on H.C.R. No. 212**

The purpose of this concurrent resolution is to encourage the Department of Human Services to consider implementing My Safe Drawer computer application for foster youth who are transitioning out of the foster care system to have a secure repository for vital records.

The Department of Human Services and CGI Technologies and Solutions, Inc. provided comments on this concurrent resolution.

Your Committee notes that CGI Technologies and Solutions, Inc. is willing to provide a computer application free of charge to the State of Hawaii in order for foster youth to have a safe, secure, and centralized storage repository for vital records and contacts.

Your Committee amended this concurrent resolution by:

- (1) Changing the title to "Encouraging the Department of Human Services to Consider Implementing a Computer Application for Foster Youth Who are Transitioning Out of the Foster Care System; and
- (2) Removing "my safe drawer" from the body of the concurrent resolution and replace it with "computer application;" 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 concurs with the intent and purpose of H.C.R. No. 212, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 212, H.D. 1.

Signed by all members of the Committee except Representative Yamane.

**SCRep. 1363 Consumer Protection & Commerce on H.R. No. 76**

The purpose of this measure is to urge the Pest Control Board to develop standards for pest control operators and termite inspection report standards prior to the 2012 Regular Session. This measure also requests that the Pest Control Board submit a progress report to the 2012 Legislature on the rules relating to pest control operators and standards for termite inspection reports.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Pest Control Board, and three concerned individuals. The Hawaii Pest Control Association submitted comments.

Your Committee finds that industry standards provide little guidance to pest control operators when conducting a termite inspection. As a result, many times the information provided in real estate transaction termite inspection reports do not provide adequate information regarding possible termite infestations. Your Committee believes that the Pest Control Board should develop uniform standards for pest control operators and termite inspection reports to provide guidance for the pest control industry and to inform consumers of possible termite infestations.

As 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. 76 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1364 Consumer Protection & Commerce on H.C.R. No. 82**

The purpose of this measure is to urge the Pest Control Board to develop standards for pest control operators and termite inspection report standards prior to the 2012 Regular Session. This measure also requests that the Pest Control Board submit a progress report to the 2012 Legislature on the rules relating to pest control operators and standards for termite inspection reports.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Pest Control Board, and three concerned individuals. The Hawaii Pest Control Association submitted comments.

Your Committee finds that industry standards provide little guidance to pest control operators when conducting a termite inspection. As a result, many times the information provided in real estate transaction termite inspection reports do not provide adequate information regarding possible termite infestations. Your Committee believes that the Pest Control Board should develop uniform standards for pest control operators and termite inspection reports to provide guidance for the pest control industry and to inform consumers of possible termite infestations.

As 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. 82 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1365 Hawaiian Affairs/Economic Revitalization & Business on H.R. No. 280**

The purpose of this resolution is to assist Native Hawaiian entrepreneurs by requesting the Office of Hawaiian Affairs (OHA) and the Department of Hawaiian Home Lands (DHHL), with the assistance of Native Hawaiian business organizations, to examine the feasibility of jointly establishing a Native Hawaiian research, science, and technology park to serve as an incubator and resource center for Native Hawaiian entrepreneurs.

DHHL supported the intent of this measure. OHA offered comments.

Your Committee notes the concerns raised by DHHL that the responsibilities allocate to it in this measure are beyond the purview of the department and trust. While DHHL can support the study by identifying a parcel of land within its inventory to assist with the establishment of a Native Hawaiian technology park, DHHL cannot lead such an initiative.

Accordingly, your Committees have amended this measure by:

- (1) Requesting the Department of Business, Economic Development, and Tourism to examine the feasibility of establishing a Native Hawaiian research, science, and technology park, with input from OHA, rather than having OHA and DHHL jointly examine this feasibility;
- (2) Amending its title to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, WITH INPUT FROM THE OFFICE OF HAWAIIAN AFFAIRS, TO EXAMINE THE FEASIBILITY OF ESTABLISHING A NATIVE HAWAIIAN RESEARCH, SCIENCE, AND TECHNOLOGY PARK";
- (3) Providing that funds to examine the feasibility of establishing the Native Hawaiian technology park should come from the Native Hawaiian Advancement Act; 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 Hawaiian Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 280, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 280, H.D. 1.

Signed by all members of the Committee except Representatives Hashem, Mizuno, Wooley and Yamane.

**SCRep. 1366 Hawaiian Affairs/Economic Revitalization & Business on H.C.R. No. 315**

The purpose of this concurrent resolution is to assist Native Hawaiian entrepreneurs by requesting the Office of Hawaiian Affairs (OHA) and the Department of Hawaiian Home Lands (DHHL), with the assistance of Native Hawaiian business organizations, to examine the feasibility of jointly establishing a Native Hawaiian research, science, and technology park to serve as an incubator and resource center for Native Hawaiian entrepreneurs.

DHHL supported the intent of this measure. OHA offered comments.

Your Committee notes the concerns raised by DHHL that the responsibilities allocate to it in this measure are beyond the purview of the department and trust. While DHHL can support the study by identifying a parcel of land within its inventory to assist with the establishment of a Native Hawaiian technology park, DHHL cannot lead such an initiative.

Accordingly, your Committees have amended this measure by:

- (1) Requesting the Department of Business, Economic Development, and Tourism to examine the feasibility of establishing a Native Hawaiian research, science, and technology park, with input from OHA, rather than having OHA and DHHL jointly examine this feasibility;
- (2) Amending its title to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, WITH INPUT FROM THE OFFICE OF HAWAIIAN AFFAIRS, TO EXAMINE THE FEASIBILITY OF ESTABLISHING A NATIVE HAWAIIAN RESEARCH, SCIENCE, AND TECHNOLOGY PARK";
- (3) Providing that funds to examine the feasibility of establishing the Native Hawaiian technology park should come from the Native Hawaiian Advancement Act; 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 Hawaiian Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 315, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 315, H.D. 1.

Signed by all members of the Committee except Representatives Hashem, Mizuno, Wooley and Yamane.

**SCRep. 1367 Hawaiian Affairs/Water, Land, & Ocean Resources on H.R. No. 261**

The purpose of this resolution is to request the State Auditor to conduct an audit of the State's compliance with section 5 of Act 178 and report to the Legislature, and to request all government agencies to provide full cooperation and all relevant data and information to the State Auditor.

The Office of Hawaiian Affairs submitted testimony in support of this measure.

Your Committees find that Act 178, Session Laws of Hawaii 2006 (Act 178), sought to identify revenue-generating public trust lands and the amounts derived therefrom by requiring the Department of Land and Natural Resources (DLNR) with the cooperation of the Department of Budget and Finance and state agencies that use or manage public trust lands, to provide an annual accounting to the Legislature by January 1 of each year.

Your Committees note that the Department of Land and Natural Resources (DLNR) did not submit testimony for the public hearing of this resolution. Therefore, your Committees respectfully request that the Committee on Finance carefully consider this resolution in light of any testimony submitted to it by DLNR.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 261 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Pine, Riviere, Thielen and Ward.

**SCRep. 1368 Hawaiian Affairs/Water, Land, & Ocean Resources on H.C.R. No. 296**

The purpose of this concurrent resolution is to request the State Auditor to conduct an audit of the State's compliance with section 5 of Act 178 and report to the Legislature, and to request all government agencies to provide full cooperation and all relevant data and information to the State Auditor.

The Office of Hawaiian Affairs submitted testimony in support of this measure.

Your Committees find that Act 178, Session Laws of Hawaii 2006 (Act 178), sought to identify revenue-generating public trust lands and the amounts derived therefrom by requiring the Department of Land and Natural Resources (DLNR) with the cooperation of the Department of Budget and Finance and state agencies that use or manage public trust lands, to provide an annual accounting to the Legislature by January 1 of each year.

Your Committees note that the Department of Land and Natural Resources (DLNR) did not submit testimony for the public hearing of this concurrent resolution. Therefore, your Committees respectfully request that the Committee on Finance carefully consider this concurrent resolution in light of any testimony submitted to it by DLNR.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water, Land, & Ocean Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 296 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Pine, Riviere, Thielen and Ward.

**SCRep. 1369 Hawaiian Affairs/Water, Land, & Ocean Resources/Judiciary on H.C.R. No. 294**

The purpose of this concurrent resolution is to encourage the Office of Hawaiian Affairs (OHA) and the Executive Branch to engage in discussions to propose recommendations to the Legislature to resolve outstanding differences regarding claims to income and proceeds from the public land trust between November 7, 1978, and July 1, 2008.

OHA, Papa Ola Lokahi, Association of Hawaiian Civic Clubs, and Sovereign Councils of the Hawaiian Homelands Assembly supported this measure. The Office of the Governor supported the intent of this measure.

Your Committees have amended this measure by:

- (1) Adding the Governor as a signatory with OHA of the negotiated Settlement Agreement between the State and OHA in January 2008;
- (2) Adding \$200,000,000 as the total amount the State agreed to pay OHA in the Settlement Agreement, which included cash and the transfer of three parcels of land;
- (3) Specifying between November 7, 1978, and July 1, 2008 as the timeframe that OHA agreed to relinquish all claims or disputes against the State regarding claims to income and proceeds from the public land trust, an agreement that was contingent on the enactment of legislation the parties drafted and attached to the Settlement Agreement; 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 Hawaiian Affairs and Water, Land, & Ocean Resources and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 294, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 294, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Souki, Fontaine, Marumoto, Pine, Riviere, Thielen and Ward.

**SCRep. 1370 Hawaiian Affairs on H.R. No. 206**

The purpose of this resolution is to assist native Hawaiian students to attend college by urging the University of Hawaii (UH) System to grant a waiver of all tuition to each and every native Hawaiian or Hawaiian student enrolled at any of the UH System's ten campuses.

The Office of Hawaiian Affairs, Papa Ola Lokahi, Association of Hawaiian Civic Clubs, Paukukalo Hawaiian Homes Community Association, and a concerned individual supported this measure. A concerned individual opposed this measure. The UH System provided comments.

Your Committee has amended this resolution by:

- (1) Changing its title to read: "URGING THE STATE OF HAWAII TO CREATE AND FUND A STATE GRANT PROGRAM FOR NATIVE HAWAIIAN STUDENTS AT THE UNIVERSITY OF HAWAII";
- (2) Removing provisions urging the UH System to grant tuition waivers to every enrolled native Hawaiian or Hawaiian student enrolled at any of the ten campuses;
- (3) Urging the State to create and fund a state grant program to award aid to all native Hawaiian and Hawaiian students enrolled in the UH System with financial need, as determined by federal financial aid guidelines;
- (4) Adding the Governor as a party to whom a certified copy of this measure should be sent; 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 Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 206, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 206, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1371 Hawaiian Affairs on H.C.R. No. 243**

The purpose of this concurrent resolution is to assist native Hawaiian students to attend college by urging the University of Hawaii (UH) System to grant a waiver of all tuition to each and every native Hawaiian or Hawaiian student enrolled at any of the UH System's ten campuses.

The Office of Hawaiian Affairs, Papa Ola Lokahi, Association of Hawaiian Civic Clubs, Paukukalo Hawaiian Homes Community Association, and a concerned individual supported this measure. A concerned individual opposed this measure. The UH System provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "URGING THE STATE OF HAWAII TO CREATE AND FUND A STATE GRANT PROGRAM FOR NATIVE HAWAIIAN STUDENTS AT THE UNIVERSITY OF HAWAII";
- (2) Removing provisions urging the UH System to grant tuition waivers to every enrolled native Hawaiian or Hawaiian student enrolled at any of the ten campuses;
- (3) Urging the State to create and fund a state grant program to award aid to all native Hawaiian and Hawaiian students enrolled in the UH System with financial need, as determined by federal financial aid guidelines;
- (4) Adding the Governor as a party to whom a certified copy of this measure should be sent; 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 Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.C.R. No. 243, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Morikawa, Wooley and Yamane.

**SCRep. 1372 Hawaiian Affairs on H.C.R. No. 289**

The purpose of this concurrent resolution is to continue to provide quality educational opportunities for gifted and talented native Hawaiian children by urging the support of state funding for Na Pua No'eau staffing and programs in the University of Hawaii System's biennium budget.

The University of Hawaii supported the intent of this concurrent resolution. A concerned individual 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 concurs with the intent and purpose of H.C.R. No. 289 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1373 Hawaiian Affairs on H.R. No. 246**

The purpose of this resolution is to help encourage the responsible and successful incorporation of native Hawaiian plant species in public spaces by requesting the University of Hawaii (UH) at Hilo to seek available resources to study the feasibility of incorporating native Hawaiian plant species in capital improvement projects.

The Office of Hawaiian Affairs supported this measure. The Chancellor of UH-Hilo 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. 246 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1374 Hawaiian Affairs on H.C.R. No. 279**

The purpose of this concurrent resolution is to help encourage the responsible and successful incorporation of native Hawaiian plant species in public spaces by requesting the University of Hawaii (UH) at Hilo to seek available resources to study the feasibility of incorporating native Hawaiian plant species in capital improvement projects.

The Office of Hawaiian Affairs supported this measure. The Chancellor of UH-Hilo 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. 279 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1375 Hawaiian Affairs on H.C.R. No. 180**

The purpose of this concurrent resolution is to urge Hawaii's Congressional delegation to support the reauthorization of the policies of the Native Hawaiian Education Act.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Papa Ola Lokahi, Native Hawaiian Education Council, and a concerned individual supported this measure. The University of Hawaii offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Providing information on the Native Hawaiian Education Council; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 180, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 180, H.D. 1.

Signed by all members of the Committee except Representatives Jordan, Mizuno and Pine.

**SCRep. 1376 Legislative Management on H.C.R. No. 79**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review to determine whether large scale dog breeders should be licensed by the Department of Commerce and Consumer Affairs (DCCA) and assess whether alternative agencies may be tasked with regulating large scale dog breeders.

The Professional and Vocational Licensing Division of DCCA, Regulated Industries Complaints Office of DCCA, The Humane Society of the United States, and Hawaiian Humane Society 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. 79, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1377 Legislative Management on H.C.R. No. 146**

The purpose of this concurrent resolution is to request the Auditor to:

- (1) Conduct a management audit of the Hawaii Employer-Union Health Benefits Trust Fund; and
- (2) Submit the audit, with recommended statutory changes, to the Legislature prior to the convening of the Regular Session of 2012.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO commented on 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. 146 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1378      Legislative Management on H.R. No. 190**

The purpose of this resolution is to determine whether a more equitable process is available for the disposition of vacation credits of transferring public employees by requesting the Legislative Reference Bureau (LRB) to conduct a study on the current law and procedures relating to the disposition of vacation credits for public employees that transfer from one department to another in the same jurisdiction or transfer to another jurisdiction.

The Chief Clerk of the House of Representatives testified in support of this measure. LRB provided comments.

Your Committee has amended this measure by:

- (1) Specifying that LRB also include a review of the legislative history of the current law regarding the disposition of vacation credits in the study;
- (2) Requesting that, as part of their study, LRB conduct a survey of the personnel directors of the State Executive Branch, State House of Representatives, State Senate, State Judiciary, executive branches of the counties, and legislative branches of the counties, on whether problems have been experienced with the disposition of vacation credits for transferring employees and what recommendations the personnel directors have for improving the system; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 190, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 190, H.D. 1.

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

**SCRep. 1379      Legislative Management on H.C.R. No. 219**

The purpose of this concurrent resolution is to determine whether a more equitable process is available for the disposition of vacation credits of transferring public employees by requesting the Legislative Reference Bureau (LRB) to conduct a study on the current law and procedures relating to the disposition of vacation credits for public employees that transfer from one department to another in the same jurisdiction or transfer to another jurisdiction.

The Chief Clerk of the House of Representatives testified in support of this measure. LRB provided comments.

Your Committee has amended this measure by:

- (1) Specifying that LRB also include a review of the legislative history of the current law regarding the disposition of vacation credits in the study;
- (2) Requesting that, as part of their study, LRB conduct a survey of the personnel directors of the State Executive Branch, State House of Representatives, State Senate, State Judiciary, executive branches of the counties, and legislative branches of the counties, on whether problems have been experienced with the disposition of vacation credits for transferring employees and what recommendations the personnel directors have for improving the system; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 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 Manahan and Ward.

**SCRep. 1380      Legislative Management on H.R. No. 29**

The purpose of this resolution is to ensure the efficient, effective, and fiscally responsible administration of the Department of Education (DOE) by requesting the Auditor to conduct a financial and management audit of DOE that focuses on the departmental level.

The Hawaii Disability Rights Center and several concerned individuals supported this measure. DOE provided comments.

While your Committee notes that DOE stated that various audits are currently carried out by the DOE and that a financial and management audit of the DOE would be lengthy and may be costly, this measure deserves further consideration.

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. 29 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1381      Legislative Management on H.C.R. No. 34**

The purpose of this concurrent resolution is to ensure the efficient, effective, and fiscally responsible administration of the Department of Education (DOE) by requesting the Auditor to conduct a financial and management audit of DOE that focuses on the departmental level.

The Hawaii Disability Rights Center and several concerned individuals supported this measure. DOE provided comments.

While your Committee notes that DOE stated that various audits are currently carried out by the DOE and that a financial and management audit of the DOE would be lengthy and may be costly, this measure deserves further consideration.

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. 34 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1382      Legislative Management on H.C.R. No. 160**

The purpose of this concurrent resolution is to request the Auditor to conduct an audit of all energy efficiency projects conducted by State departments and agencies, including therewith, a list of energy efficiency projects begun during fiscal year 2011-2012 and funding sources for commitments made by the State.

No testimony was received on this measure.

As one of the most fossil fuel dependent states in the nation, Hawaii is attempting to distance itself from a reliance on fossil fuels. One way to achieve this goal is through the use of energy efficiency equipment and installation of renewable energy generating appurtenances. Your Committee finds that several State departments and agencies have already taken steps or begun the process of purchasing and installing energy efficient appliances and equipment. While this is a step forward, conducting an audit of all energy efficient projects conducted by State departments and agencies would assist the State in developing and implementing a consistent plan of action for these projects so that funding for, and the benefits of, these projects can be maximized.

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. 160 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1383      International Affairs on H.R. No. 211**

The purpose of this resolution is to urge the Department of Business, Economic Development, and Tourism (DBEDT) to establish opportunities to develop and foster international relationships, both official and personal, between the State of Hawaii and the international community, including:

- (1) Developing, planning, and coordinating opportunities for the State, counties, business community, and other interested groups or individuals; and
- (2) Exploring opportunities to showcase Hawaii's arts, historic properties, and other items and places of cultural significance to the international community.

DBEDT provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Sister-State Committee is urged to establish opportunities to develop and foster international relationships;
- (2) Amending its title to read: "URGING THE HAWAII SISTER-STATE COMMITTEE TO ESTABLISH OPPORTUNITIES TO DEVELOP AND FOSTER INTERNATIONAL RELATIONSHIPS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 211, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 211, H.D. 1.

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

**SCRep. 1384 International Affairs on H.C.R. No. 248**

The purpose of this concurrent resolution is to urge the Department of Business, Economic Development, and Tourism (DBEDT) to establish opportunities to develop and foster international relationships, both official and personal, between the State of Hawaii and the international community, including:

- (1) Developing, planning, and coordinating such opportunities for the State, counties, business community, and other interested groups or individuals; and
- (2) Exploring opportunities to showcase Hawaii's arts, historic properties, and other items and places of cultural significance to the international community.

DBEDT provided comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Sister-State Committee is urged to establish opportunities to develop and foster international relationships;
- (2) Amending its title to read: "URGING THE HAWAII SISTER-STATE COMMITTEE TO ESTABLISH OPPORTUNITIES TO DEVELOP AND FOSTER INTERNATIONAL RELATIONSHIPS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 248, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 248, H.D. 1.

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

**SCRep. 1385 International Affairs on H.R. No. 131**

The purpose of this resolution is to urge the City and County of Honolulu to:

- (1) Identify public works projects that are a priority; and
- (2) Complete such necessary projects before the commencement of the Asia-Pacific Economic Cooperation Summit.

No testimony was received for this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 131 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1386 International Affairs on H.C.R. No. 150**

The purpose of this concurrent resolution is to urge the City and County of Honolulu to:

- (1) Identify public works projects that are a priority; and
- (2) Complete such necessary projects before the commencement of the Asia-Pacific Economic Cooperation Summit.

No testimony was received for this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 150 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1387 International Affairs on H.C.R. No. 231**

The purpose of this concurrent resolution is to protect the rights of persons with disabilities by urging the President of the United States to sign and the United States Senate to ratify the United Nations Convention on the Rights of Persons with Disabilities.

The Department of Business, Economic Development, and Tourism provided comments.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 231 and recommends that it be referred to the Committee on Human Services.

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

**SCRep. 1388      Health on H.R. No. 169**

The purpose of this resolution is to affirm that the amendments made by the State Health Planning and Development Agency to the State Health Services and Facilities Plan are intended to be done through the public hearing process.

A concerned individual testified in support of this measure. The Department of Health and Kaiser Permanente Hawaii opposes 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. 169 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1389      Health on H.C.R. No. 195**

The purpose of this concurrent resolution is to affirm that the amendments made by the State Health Planning and Development Agency to the State Health Services and Facilities Plan are intended to be done through the public hearing process.

A concerned individual testified in support of this measure. The Department of Health and Kaiser Permanente Hawaii opposes 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. 195 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1390      Health on H.R. No. 189**

The purpose of this resolution is to request the Office of the Auditor to audit a sampling of contested child custody proceedings in which family violence has been alleged to have been committed by a parent and that were heard by the Family Courts between January 1, 2004, and December 31, 2010, to assess the application and enforcement of the criteria established for the Family Courts to consider in custody or visitation disputes where domestic violence has been involved under section 571-46(a)(9)-(14), Hawaii Revised Statutes.

The Hawaii State Coalition Against Domestic Violence supported the intent of this measure. The Judiciary commented on 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. 189 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1391      Health on H.C.R. No. 218**

The purpose of this concurrent resolution is to request the Office of the Auditor to audit a sampling of contested child custody proceedings in which family violence has been alleged to have been committed by a parent and that were heard by the Family Courts between January 1, 2004, and December 31, 2010, to assess the application and enforcement of the criteria established for the Family Courts to consider in custody or visitation disputes where domestic violence has been involved under section 571-46(a)(9)-(14), Hawaii Revised Statutes.

The Hawaii State Coalition Against Domestic Violence supported the intent of this measure. The Judiciary commented on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1392      Health on H.R. No. 248**

The purpose of this resolution is to address the fact that the Leeward coast of Oahu shoulders a disproportionate share of the island's waste by urging the State and City and County of Honolulu to support a waste management system that equitably distributes its benefits and burdens across the community.

The City and County of Honolulu Department of Environmental Services, PVT Land Company, and the General Contractors Association of Hawaii opposed this measure. The Resort Group and Iron Workers Local commented on this measure.

Your Committee has amended this resolution by:

- (1) Removing references to specific landfills;

- (2) Deleting provisions relating to fees; 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 concurs with the intent and purpose of H.R. No. 248, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 248, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1393 Health on H.C.R. No. 281**

The purpose of this concurrent resolution is to address the fact that the Leeward coast of Oahu shoulders a disproportionate share of the island's waste by urging the State and City and County of Honolulu to support a waste management system that equitably distributes its benefits and burdens across the community.

The City and County of Honolulu Department of Environmental Services, PVT Land Company, and the General Contractors Association of Hawaii opposed this measure. The Resort Group and Iron Workers Local commented on this measure.

Your Committee has amended this measure by:

- (1) Removing references to specific landfills;
- (2) Deleting provisions relating to fees; 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 concurs with the intent and purpose of H.C.R. No. 281, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 281, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1394 Health/Consumer Protection & Commerce on H.R. No. 94**

The purpose of this resolution is to improve public health by requesting the Auditor to analyze the probable effects of the proposed mandated coverage of health insurance for tobacco cessation and assess whether the enactment of this proposed mandated coverage is consistent with State policy.

The Department of Health, American Cancer Society Hawaii Pacific Inc., American Heart Association, Coalition for a Tobacco-Free Hawaii, and Hawaii COPD Coalition testified in support of this measure.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 94, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Luke, McKelvey, Souki and Pine.

**SCRep. 1395 Health/Consumer Protection & Commerce on H.C.R. No. 103**

The purpose of this concurrent resolution is to improve public health by requesting the Auditor to analyze the probable effects of the proposed mandated coverage of health insurance for tobacco cessation and assess whether the enactment of this proposed mandated coverage is consistent with State policy.

The Department of Health, American Cancer Society Hawaii Pacific Inc., American Heart Association, Coalition for a Tobacco-Free Hawaii, and Hawaii COPD Coalition testified in support of this measure.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 103, 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. 103, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Luke, McKelvey, Souki and Pine.

**SCRep. 1396 Health/Higher Education on H.C.R. No. 23**

The purpose of this concurrent resolution is to prevent the devastating and often fatal injuries resulting from preventable falls by senior citizens by, among other things:

- (1) Requesting the University of Hawaii Center on Aging to convene a Hawaii State Fall Prevention and Early Detection Task Force (Task Force) to develop a statewide approach to reducing falls among older adults;
- (2) Requesting that the Task Force:
  - (A) Consist of 21 members with backgrounds in fields like elder care, health care, hospital administration, or public policy development to be appointed no later than July 1, 2011;
  - (B) Be headed by the Director of the Executive Office on Aging as chair;
  - (C) Convene before August 15, 2011;
  - (D) Collaborate with interested stakeholders; and
  - (E) Submit an interim report to the Legislature, including any proposed legislation;
 and
- (3) Further requesting that the Legislative Reference Bureau (LRB) draft any legislation recommended by the Task Force.

DOH, Executive Office on Aging, Project Dana, and several concerned individuals testified in support of this measure. The University of Hawaii Center on Aging and LRB commented on this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Removing references to percentages of elder adults injured by falls;
- (2) Changing the organization requested to convene the Task Force to the Executive Office on Aging;
- (3) Changing the composition of the Task Force by:
  - (A) Reducing from five to four the number of members appointed by the Governor, President of the Senate, and Speaker of the House of Representatives, respectively; and
  - (B) Adding the following members to the Task Force:
    - (i) The County Executive of the Maui County Office on Aging, or the County Executive's designee;
    - (ii) The County Executive of the Kauai Agency on Elderly Affairs, or the County Executive's designee; and
    - (iii) The County Executive of the Hawaii County Office of Aging, or the County Executive's designee;
- (4) Specifying that the Task Force submit proposed draft legislation to LRB no later than November 1, 2011 and 2012, respectively; 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 Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 23, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 23, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Takai, Takumi and Pine.

**SCRep. 1397 Health/Human Services on H.C.R. No. 24**

The purpose of this concurrent resolution is extend the deadline for the Home for Life Task Force to report its findings and recommendations to the Legislature to June 30, 2012.

The Representative from the 38<sup>th</sup> District, Executive Office on Aging, Disability and Communication Access Board, BIA-Hawaii, Home for Life Task Force, and several concerned individuals testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 24 and recommend that it be referred to the Committee on Legislative Management.

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

**SCRep. 1398 Hawaiian Affairs/Housing on H.R. No. 196**

The purpose of this resolution is to help address the growing problem of homelessness in Hawaii by:



- (1) Requesting the Office of Hawaiian Affairs (OHA) to study the feasibility of establishing kanaka villages, as described in House Bill No. 1489, House Draft 2 (2011), in which homeless Native Hawaiians can live in tents and subsist off the land using traditional Hawaiian methods of sustainability;
- (2) Requesting OHA, as part of its study, to:
  - (A) Consult with the Department of Hawaiian Home Lands (DHHL) and the Hawaii Public Housing Authority (HPHA); and
  - (B) Identify appropriate areas on DHHL property that can be used for kanaka villages;
 and
- (3) Requesting OHA to submit to the Legislature a report of its findings and recommendations, including any proposed legislation, no later than 20 days prior to the convening of the Regular Session of 2012.

Several concerned individuals supported this measure. DHHL, OHA, and a concerned individual offered comments.

Your Committees have amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE GOVERNOR'S COORDINATOR ON HOMELESSNESS TO STUDY THE FEASIBILITY OF ESTABLISHING KANAKA VILLAGES FOR HOMELESS NATIVE HAWAIIANS";
- (2) Requesting the Governor's Coordinator on Homelessness, rather than OHA, to study the feasibility of establishing kanaka villages, consult with DHHL and HPHA, identify appropriate areas on DHHL property that can be used for kanaka villages, and submit a report to the Legislature; 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 Hawaiian Affairs and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 196, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 196, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Herkes, Ito, Yamane, Thielen and Ward.

**SCRep. 1399 Hawaiian Affairs/Housing on H.C.R. No. 225**

The purpose of this concurrent resolution is to help address the growing problem of homelessness in Hawaii by:

- (1) Requesting the Office of Hawaiian Affairs (OHA) to study the feasibility of establishing kanaka villages, as described in House Bill No. 1489, House Draft 2 (2011), in which homeless Native Hawaiians can live in tents and subsist off the land using traditional Hawaiian methods of sustainability;
- (2) Requesting OHA, as part of its study, to:
  - (A) Consult with the Department of Hawaiian Home Lands (DHHL) and the Hawaii Public Housing Authority (HPHA); and
  - (B) Identify appropriate areas on DHHL property that can be used for kanaka villages;
 and
- (3) Requesting OHA to submit to the Legislature a report of its findings and recommendations, including any proposed legislation, no later than 20 days prior to the convening of the Regular Session of 2012.

Several concerned individuals supported this measure. DHHL, OHA, and a concerned individual offered comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE GOVERNOR'S COORDINATOR ON HOMELESSNESS TO STUDY THE FEASIBILITY OF ESTABLISHING KANAKA VILLAGES FOR HOMELESS NATIVE HAWAIIANS";
- (2) Requesting the Governor's Coordinator on Homelessness, rather than OHA, to study the feasibility of establishing kanaka villages, consult with DHHL and HPHA, identify appropriate areas on DHHL property that can be used for kanaka villages, and submit a report to the Legislature; 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 Hawaiian Affairs and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 225, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 225, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Herkes, Ito, Yamane, Thielen and Ward.

**SCRep. 1400 Hawaiian Affairs/Agriculture on H.R. No. 195**

The purpose of this resolution is to encourage successful farming on agricultural and pastoral lands by beneficiaries of the Department of Hawaiian Home Lands by requesting the Department of Hawaiian Home Lands to partner with the Office of Hawaiian Affairs and other appropriate entities to provide support services to encourage this type of activity.

The Department of Hawaiian Home Lands, Sovereign Councils of Hawaiian Homelands Assembly, and a concerned individual testified in support of this measure. The Office of Hawaiian Affairs supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Specifically including the Department of Agriculture as an agency with which the Department of Hawaiian Home Lands should partner with to encourage farming by their beneficiaries;
- (2) Amending its title to read: "REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO PARTNER WITH THE OFFICE OF HAWAIIAN AFFAIRS, THE DEPARTMENT OF AGRICULTURE, AND OTHER APPROPRIATE ENTITIES TO PROVIDE SUPPORT SERVICES TO ITS BENEFICIARIES TO ENCOURAGE SUCCESSFUL FARMING ON AGRICULTURAL AND PASTORAL LANDS";
- (3) Stipulating that a certified copied of this measure by transmitted to the Chairperson of the Board of Agriculture; 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 Hawaiian Affairs and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 195, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 195, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Jordan, McKelvey, Mizuno, Nishimoto, Marumoto and Ward.

**SCRep. 1401 Hawaiian Affairs/Agriculture on H.C.R. No. 224**

The purpose of this concurrent resolution is to encourage successful farming on agricultural and pastoral lands by beneficiaries of the Department of Hawaiian Home Lands (DHHL) by requesting DHHL to partner with the Office of Hawaiian Affairs (OHA) and other appropriate entities to provide support services to encourage this type of activity.

DHHL, Sovereign Councils of the Hawaiian Homelands Assembly, and a concerned individual testified in support of this measure. OHA supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Specifically including the Department of Agriculture as an agency with which DHHL should partner to encourage farming by its beneficiaries;
- (2) Amending its title to read: "REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO PARTNER WITH THE OFFICE OF HAWAIIAN AFFAIRS, THE DEPARTMENT OF AGRICULTURE, AND OTHER APPROPRIATE ENTITIES TO PROVIDE SUPPORT SERVICES TO ITS BENEFICIARIES TO ENCOURAGE SUCCESSFUL FARMING ON AGRICULTURAL AND PASTORAL LANDS";
- (3) Requiring that a certified copy of this measure be transmitted to the Chairperson of the Board of Agriculture; 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 Hawaiian Affairs and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 224, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 224, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Jordan, McKelvey, Mizuno, Nishimoto, Marumoto and Ward.

**SCRep. 1402 Water, Land, & Ocean Resources on H.C.R. No. 173**

The purpose of this concurrent resolution is to protect and preserve one of Hawaii's most treasured cultural and historical areas by urging the Department of Land and Natural Resources (DLNR) to work with Moanalua Gardens Foundation to execute a Memorandum of Understanding for the use of Kamanui Valley, also known as Moanalua Valley, for educational and cultural purposes.

The Moanalua Gardens Foundation supported this measure. DLNR offered comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1403 Water, Land, & Ocean Resources on H.R. No. 78**

The purpose of this resolution is to urge the Department of Land and Natural Resources to register the accreted lands along the Waipio Peninsula shoreline in Waipahu as State property for prospective use as a State park.

The Department of Land and Natural Resources and several concerned individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Changing its title to read: "URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DETERMINE WHETHER LANDS ALONG THE WAIPIO PENINSULA AND WAIPAHU SHORELINES ARE ACCRETED LANDS AND THEREFORE STATE PROPERTY FOR PROSPECTIVE USE AS A STATE PARK";
- (2) Inserting language requesting the Department of Land and Natural Resources to submit a report of its findings to the Legislature, including whether the lands along the Waipio Peninsula and Waipahu shorelines are accreted lands suitable for use as a state park in the future; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 78, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1404 Water, Land, & Ocean Resources on H.C.R. No. 85**

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources to register the accreted lands along the Waipio Peninsula shoreline in Waipahu as State property for prospective use as a State park.

The Department of Land and Natural Resources and several concerned individuals commented on this measure.

Your Committee has amended this measure by:

- (1) Changing its title to read: "URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO DETERMINE WHETHER LANDS ALONG THE WAIPIO PENINSULA AND WAIPAHU SHORELINES ARE ACCRETED LANDS AND THEREFORE STATE PROPERTY FOR PROSPECTIVE USE AS A STATE PARK";
- (2) Inserting language requesting the Department of Land and Natural Resources to submit a report of its findings to the Legislature, including whether the lands along the Waipio Peninsula and Waipahu shorelines are accreted lands suitable for use as a state park in the future; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 85, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1405 Water, Land, & Ocean Resources on H.R. No. 91**

The purpose of this resolution is to request that the Hawaii Community Development Authority (HCDA) collaborate with the Department of Land and Natural Resources (DLNR) to prepare a report for the Legislature regarding the feasibility of constructing a motorsport center on Oahu, similar to the Hawaii Raceway Park. This resolution further requests that the report consider:

- (1) The feedlot on Kalaeloa Boulevard as a potential site for a motorsport center; and
- (2) The ways in which a motorsports center may serve as a source of revenue for the State.

The Oahu Pro Gas Association, and many concerned individuals testified in support of this measure. The Kalaeloa Raceway Park opposed this resolution. DLNR and HCDA provided comments.

Your Committee has amended this resolution by:

- (1) Amending its title to read: "ENCOURAGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO LOCATE LAND SUITABLE TO CONSTRUCT A MOTORSPORTS CENTER ON THE ISLAND OF OAHU";

- (2) Replacing the feed lot on Kalaeloa Boulevard with Parcel 9 for HCDA to consideration as a potential site for a motorsports center;
- (3) No longer requesting the HCDA to submit a report to the Legislature;
- (4) Deleting language stating there has not been a paved racing facility on Oahu since 2006;
- (5) Removing the Governor and the Mayor of the City and County of Honolulu from the list of those receiving certified copies of this resolution; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 91, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1406 Water, Land, & Ocean Resources on H.C.R. No. 100**

The purpose of this concurrent resolution is to request that the Hawaii Community Development Authority (HCDA) collaborate with the Department of Land and Natural Resources (DLNR) to prepare a report for the Legislature regarding the feasibility of constructing a motorsport center on Oahu, similar to the Hawaii Raceway Park. This concurrent resolution further requests that the report consider:

- (1) The feedlot on Kalaeloa Boulevard as a potential site for a motorsport center; and
- (2) The ways in which a motorsports center may serve as a source of revenue for the State.

The Oahu Pro Gas Association, and many concerned individuals testified in support of this measure. The Kalaeloa Raceway Park opposed this concurrent resolution. DLNR and HCDA provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to read: "ENCOURAGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO LOCATE LAND SUITABLE TO CONSTRUCT A MOTORSPORTS CENTER ON THE ISLAND OF OAHU";
- (2) Replacing the feed lot on Kalaeloa Boulevard with Parcel 9 for HCDA to consideration as a potential site for a motorsports center;
- (3) No longer requesting the HCDA to submit a report to the Legislature;
- (4) Deleting language stating there has not been a paved racing facility on Oahu since 2006;
- (5) Removing the Governor and the Mayor of the City and County of Honolulu from the list of those receiving certified copies of this concurrent resolution; 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 Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 100, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1407 Agriculture on H.R. No. 265**

The purpose of this resolution is to promote public awareness of the benefits of Hawai'i-grown cacao by recognizing February of 2012 as "Hawai'i-Grown Cacao Month".

The Department of Agriculture, Dole Food Company Hawaii, and Sweet Paradise Chocolatier supported this measure.

Your Committee has amended this measure by:

- (1) Specifying that certified copies of this resolution be transmitted to the Governor, Director of Business, Economic Development, and Tourism, and the respective mayors of the County of Kauai, County of Maui, County of Hawaii, and the City and County of Honolulu; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 265, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 265, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1408      Tourism on H.R. No. 240**

The purpose of this resolution is to assist travel and tourism industry professionals in their short- and long-term business planning and management by requesting the School of Travel Industry Management (TIM) at the University of Hawaii at Manoa to develop enhancements for the tourism-related capabilities of the University of Hawaii Economic Research Organization (UHERO) Data Portal.

UHERO and TIM supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 240 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Evans, McKelvey, Nishimoto and Ching.

**SCRep. 1409      Tourism on H.C.R. No. 273**

The purpose of this concurrent resolution is to assist travel and tourism industry professionals in their short- and long-term business planning and management by requesting the School of Travel Industry Management (TIM) at the University of Hawaii at Manoa to develop enhancements for the tourism-related capabilities of the University of Hawaii Economic Research Organization (UHERO) Data Portal.

UHERO and TIM supported this measure.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 273 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Evans, McKelvey, Nishimoto and Ching.

**SCRep. 1410      International Affairs/Economic Revitalization & Business on H.R. No. 128**

The purpose of this resolution is to urge the United States Congress to approve the United States-Korea Trade Agreement.

A concerned individual testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 128 and recommend its adoption.

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

**SCRep. 1411      International Affairs/Economic Revitalization & Business on H.C.R. No. 147**

The purpose of this concurrent resolution is to urge the United States Congress to approve the United States-Korea Trade Agreement.

The United Korean Association of Hawaii and a concerned individual testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 147 and recommend its adoption.

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

**SCRep. 1412      International Affairs on H.C.R. No. 234**

The purpose of this concurrent resolution is to promote a culture of peace by adopting the United Nations Educational, Scientific and Cultural Organization's Declaration on a Culture of Peace.

No testimony was received for this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 234 and recommends its adoption.

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

**SCRep. 1413      Health on H.R. No. 274**

The purpose of this resolution is to raise awareness and educate the public about how specially trained animals are aiding many people in Hawaii and could benefit so many more of Hawaii's citizens by requesting the Governor to proclaim the second week of August as National Assistance Dog Week.

The West Hawaii Humane Society, Hawaii Island Humane Society, Hawaii Fi-Do, Turning Corners Group, LLC, and several concerned individuals testified in support of this measure. The Hawaii Civil Rights Commission offered comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 274, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 274, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1414      Health on H.C.R. No. 309**

The purpose of this concurrent resolution is to raise awareness and educate the public about how specially trained animals are aiding many people in Hawaii and could benefit so many more of Hawaii's citizens by requesting the Governor to proclaim the second week of August as National Assistance Dog Week.

The West Hawaii Humane Society, Hawaii Island Humane Society, Hawaii Fi-Do, Turning Corners Group, LLC, and several concerned individuals testified in support of this measure. The Hawaii Civil Rights Commission offered comments.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 309, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 309, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1415      Health on H.R. No. 228**

The purpose of this resolution is to increase awareness of one of the most commonly occurring chromosomal conditions, Down syndrome, and the abilities of, and educational opportunities for, individuals with this condition by recognizing October as Down Syndrome Awareness Month in Hawaii.

A concerned individual testified in support of this measure. The Department of Education (DOE) opposed this measure.

Your Committee has amended this resolution by:

- (1) Clarifying that October should be recognized simply as Down Syndrome Awareness Month in Hawaii;
- (2) Changing its title to read: "RECOGNIZING OCTOBER OF EACH YEAR AS "DOWN SYNDROME AWARENESS MONTH" IN HAWAII";
- (3) Deleting the request that DOE develop guidelines for a lifelong learning approach for individuals with Down syndrome and to extend sign language instruction with speech to students with Down syndrome who can hear; 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 concurs with the intent and purpose of H.R. No. 228, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 228, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1416      Health on H.C.R. No. 266**

The purpose of this concurrent resolution is to increase awareness of one of the most commonly occurring chromosomal conditions, Down syndrome, and the abilities of, and educational opportunities for, individuals with this condition by recognizing October as Down Syndrome Awareness Month in Hawaii.

A concerned individual testified in support of this measure. The Department of Education (DOE) opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that October should be recognized simply as Down Syndrome Awareness Month in Hawaii;
- (2) Changing its title to read: "RECOGNIZING OCTOBER OF EACH YEAR AS "DOWN SYNDROME AWARENESS MONTH" IN HAWAII";
- (3) Deleting the request that DOE develop guidelines for a lifelong learning approach for individuals with Down syndrome and to extend sign language instruction with speech to students with Down syndrome who can hear; 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 concurs with the intent and purpose of H.C.R. No. 266, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 266, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1417      Judiciary on S.B. No. 1301**

The purpose of this bill is to make the exemptions under state fair housing laws for prohibited discriminatory practices consistent with similar exemptions found in the federal Fair Housing Act by:

- (1) Clarifying that owners in addition to lessors are not prohibited from employing certain discriminatory practices in real estate transactions if the owner or lessor resides in a housing accommodation, and the owner or lessor:
  - (A) Rents out the housing accommodation in a building which contains housing accommodations for not more than two families living independently of each other; or
  - (B) Rents out a room or up to four rooms in the housing accommodation;

and
- (2) Making it a discriminatory practice in a real estate transaction when a person or conspiring persons, including owners and lessors residing in specified units prints, circulates, posts, or mails a statement, advertisement or sign; uses an application form; or makes a record that indicates an intent to make a limitation, specification, or discriminate because of a specified status, including race, sexual orientation, familial status, or HIV status.

The Hawaii Civil Rights Commission testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1301, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1301, S.D. 1, H.D. 1.

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

**SCRep. 1418      Judiciary on S.B. No. 1054**

The purpose of this bill is to establish a task force within the Judiciary to discuss, review, and seek input on policy for establishing a process to issue temporary restraining orders by the family and district courts upon submission of sworn oral testimony or complaints communicated to the court by means of electronic voice communication. In addition, this measure allows the Judiciary to establish a program to assist persons seeking temporary restraining orders outside of normal business hours.

Ala Kuola and a concerned individual testified in support of this measure. The Office of the Public Defender and Hawaii State Coalition Against Domestic Violence supported the bill with amendments. The Hawaii Women's Coalition opposed this measure. The Judiciary provided comments.

Your Committee has amended this measure by adding to the task force a member from the Office of the Public Defender and another from a community organization serving victims of domestic violence.

As affirmed by the record of votes of 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. 1054, 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. 1054, S.D. 1, H.D. 2.

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

**SCRep. 1419      Legislative Management on S.B. No. 49**

The purpose of this bill is to provide a communication link between what happens in a correctional facility and policy makers by requiring the Director of Public Safety (Director) to report any death of a correctional facility employee or inmate to the Senate President, Speaker of the House of Representatives, and legislative committee chairs having primary responsibility for public safety issues. Specifically, this measure applies to deaths that occur:

- (1) At a correctional facility; or
- (2) From an injury sustained at a correctional facility.

The Office of Hawaiian Affairs and American Civil Liberties Union of Hawaii supported this bill. The Department of Public Safety (PSD) opposed this measure.

Your Committee notes that, according to PSD, the current notification process for deaths occurring at a correctional facility that involve inmates or correctional facility employees involves notification of the Director of PSD through the chain of command and notification of the Governor by the Director.

Accordingly, your Committee has amended this bill by:

- (1) Requiring the Director to report the death of a correctional employee or inmate to the Governor and having the Governor report the death to the Legislature rather than requiring the Director to report directly to certain members of the Legislature; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 49, 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. 49, S.D. 1, H.D. 2.

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

**SCRep. 1420 Consumer Protection & Commerce on S.B. No. 1482**

The purpose of this bill is to require the Public Utilities Commission (PUC) to consider:

- (1) The need to reduce the State's reliance on fossil fuels through energy efficiency; and
- (2) The impacts of using fossil fuels when making determinations of the reasonableness of the costs of utility system capital improvements and operations.

The bill also allows PUC to determine that short-term costs or direct costs that are higher than alternatives relying more heavily on fossil fuels are reasonable.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Sierra Club of Hawaii, and the Blue Planet Foundation supported this measure. Hawaii Renewable Energy Alliance supported the intent of this measure. Western States Petroleum Association and a concerned individual opposed this bill. PUC and an individual provided comments.

Your Committee amended this bill by changing its effective date 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. 1482, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1482, S.D. 1, H.D. 1.

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

**SCRep. 1421 Consumer Protection & Commerce on S.B. No. 27**

The purpose of this bill is to exclude long-term care insurance from the laws relating to accident and health or sickness insurance contained in Article 10A of the Insurance Code. Long-term care insurance is regulated by Article 10H.

The Department of Commerce and Consumer Affairs and the American Council of Life Insurers supported 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 S.B. No. 27, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito, B. Oshiro, Tsuji and Marumoto.

**SCRep. 1422 Judiciary on S.B. No. 106**

The purpose of this bill is to clarify that where multiple terms of imprisonment are imposed, unless otherwise specified by the court, it shall be understood that the terms are to be served concurrently, applicable to all terms of imprisonment entered on, before, or after the effective date of this Act.

The Office of the Public Defender, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and The Drug Policy Forum testified in support of this measure. The Office of Hawaiian Affairs supported this bill with amendments. The Department of the Attorney General, Department of Public Safety, and Department of the Prosecuting Attorney of the City and County of Honolulu opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision specifying that resentencing those defendants sentenced prior to June 18, 2008, would not be considered reopening a final judgment or subject the State to any liability;
- (2) Changing the effective date to January 7, 2059; 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. 106, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 106, 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, McKelvey, B. Oshiro and Souki.

**SCRep. 1423 Consumer Protection & Commerce on S.B. No. 124**

The purpose of this bill is to allow motor vehicle insurers to replace an insured's policy when it expires with a new policy through an affiliate or subsidiary; provided that the new policy provides the same or better coverage at a lower premium than the expired policy.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies supported this bill.

Your Committee finds that this provision will not only benefit the consumer by providing lower premiums but will also exempt the insurer from prohibitions on cancellation or nonrenewal of motor vehicle policies under these conditions.

As 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. 124, S.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1424 Consumer Protection & Commerce on S.B. No. 704**

The purpose of this bill is to support clean energy objectives by exempting third-party owners and operators of on-site renewable energy generating systems from regulation as a public utility.

SunRun, the Solar Alliance, Solar City, and Hawaii Renewable Energy Alliance supported the bill. The Public Utilities Commission 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. 704, S.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 1425 Consumer Protection & Commerce on S.B. No. 1346**

The purpose of this bill is to include customer-sited, grid-connected, renewable energy generation in the definition of "renewable electrical energy" beginning January 1, 2015. This will allow electric utility companies selling electricity in the State to include energy generated this way in their renewable portfolio standards which require the companies to reach specific percentages of renewable energy by specific dates.

The Department of Business, Economic Development, and Tourism; Hawaiian Electric Company; Maui Electric Company; and Hawaii Electric Light Company supported this measure. Hawaii Renewable Energy Alliance opposed this bill. The Public Utilities Commission 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. 1346, S.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 1426 Agriculture on S.B. No. 631**

The purpose of this bill is to allow solar energy facilities to be placed on agricultural lands with soil classified as overall (master) productivity rating class B or C, subject to certain restrictions.

The Department of Business, Economic Development, and Tourism and several concerned individuals supported this bill. The Office of Hawaiian Affairs, Department of Agriculture, and the Office of Planning submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 631, 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. 631, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1427 Consumer Protection & Commerce on S.B. No. 1484**

The purpose of this bill is to exempt from fraternal-benefit-society insurance laws, associations:

- (1) Organized before 1880;
- (2) Whose members are active, retired, or honorably discharged members of the United States armed forces or sea services; and
- (3) That provide, as a principal purpose, insurance and other benefits to their members and their dependents or beneficiaries.

The Navy Mutual Aid Association supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee amended this measure by making technical, nonsubstantive amendments for clarity, conformity, 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. 1484, 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. 1484, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, B. Oshiro, Tsuji and Marumoto.

**SCRep. 1428 Consumer Protection & Commerce on S.B. No. 1559**

The purpose of this bill is to provide incentives for designating land as important agricultural lands by:

- (1) Requiring priority processing of permit applications and renewals for agricultural processing facilities that process agribusiness crops or livestock produced on land designated as important agricultural land; and
- (2) Requiring the Public Utilities Commission to establish preferential rates for the purchase of energy for agricultural activities on important agricultural lands.

The Land Use Research Foundation of Hawaii and Alexander and Baldwin, Inc., supported this measure. The Hawaii Farm Bureau Federation supported the bill, suggesting an amendment. The Department of Land and Natural Resources and the Department of Agriculture supported the intent of the bill. The Department of Planning and Permitting of the City and County of Honolulu opposed the measure.

Your Committee amended this bill by changing its effective date to "upon approval."

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1559, 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. 1559, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, B. Oshiro, Tsuji and Marumoto.

**SCRep. 1429 Consumer Protection & Commerce on S.B. No. 101**

The purpose of this bill is to allow the production of hand-pounded poi without certification or permitting by the Department of Health (DOH) under certain circumstances and the sale of the product in ready-to-eat form on request or with the knowledge of the consumer.

The Office of Hawaiian Affairs; the Sierra Club, Hawai'i Chapter; Kamananui, LLC; Meleanas Farm; Hawai'i SEED; Kipahulu 'Ohana; Legalize Pa'i 'Ai 'Ohana; Hawai'i Wildlife Fund; Aha Hi o Hawai'i William S. Richardson Hawaiian Law Students Organization; Ama; Ohana Domingo; and numerous concerned individuals supported this measure. The Department of Health supported the intent of this bill. Several concerned individuals opposed this measure. Several concerned individuals offered comments.

After further consideration and concluding that DOH is better equipped to provide the circumstances under which this product should be prepared or sold, your Committee amended this bill by retaining the requirements that the producer of hand-pounded poi must:

- (1) Sell the product directly to consumers; and
- (2) Prepare it adjacent to hand-washing facilities.

However, your Committee removed:

- (1) The requirements that the producer of hand-pounded poi:
  - (A) Must attend a food-safety class; and
  - (B) Label each batch of hand-pounded poi with certain information;
- (2) The provision allowing naturally fermenting poi kept at an ambient temperature to be served or offered for sale in a ready-to-eat form upon the request or with the knowledge of the consumer; and

- (3) The provision authorizing DOH to issue a cease-and-desist notice to terminate the distribution or sale of the hand-pounded poi product in question if DOH receives complaints relating to concerns about public health, particularly complaints about food-borne illnesses.

In addition, your Committee mandated the Department to adopt rules on the sale and production of hand-pounded poi.

As 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. 101, 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. 101, S.D. 1, H.D. 2.

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

**SCRep. 1430 Consumer Protection & Commerce/Judiciary on S.B. No. 40**

The purpose of this bill as received by your Committee is to:

- (1) Reclassify pseudoephedrine as a schedule V drug that can only be dispensed with a prescription, with certain exceptions; and
- (2) Amend the electronic tracking system for drugs containing pseudoephedrine.

Prior to the hearing, your Committees circulated a proposed draft that replaced the substance of this bill with provisions clarifying transactions that are required to be recorded in an electronic log and requiring the Department of Public Safety (PSD) to submit a progress report on the electronic log prior to the Regular Session of 2012.

PSD supported the draft as received by your Committees. The Legislative Information Services of Hawaii and the Hawaii Food Industry Association opposed the bill as received by your Committees. The prosecuting attorney of the City and County of Honolulu supported the proposed draft. The Legislative Information Services of Hawaii and the Hawaii Food Industry Association supported the proposed draft of this bill, but suggested using the Model Pseudoephedrine Electronic Tracking Legislation instead. A concerned individual opposed all versions of the bill.

After further consideration, your Committees have replaced the contents of the proposed draft with the provisions of the Model Pseudoephedrine Electronic Tracking Legislation. This new tracking system is already being used by ten other states. The system is industry-funded and will provide real-time tracking. In addition, it will be able to generate a "stop sale alert", automatically preventing a purchaser from violating the quantity limits of pseudoephedrine.

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. 40, 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. 40, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, B. Oshiro and Marumoto.

**SCRep. 1431 Human Services on S.B. No. 1417**

The purpose of this bill is to reduce the number of members on the State Rehabilitation Council (Council) from 21 to 15.

The Department of Human Services testified in support of this bill. The Disability and Communication Access Board and a concerned individual provided comments.

Your Committee finds that if the minimum number of members necessary to be present to constitute a quorum to do business is established at ten, then the concurrence of only six members of the 21 total membership could validate any action of the Council.

Your Committee has amended this bill by:

- (1) Reinstating the number of members on the Council to 21;
- (2) Establishing the minimum number of members necessary to constitute a quorum to do business at ten;
- (3) Establishing the number of votes necessary to validate any action of the Council as the concurrence of at least a majority of quorum; and
- (4) Changing its effective date to upon approval with a repeal date of June 30, 2013.

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. 1417, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1417, 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 and Ching.

**SCRep. 1432 Public Safety & Military Affairs/Health on S.B. No. 219**

The purpose of this bill is to protect female inmates and their unborn babies by prohibiting the physical and mechanical restraint, including shackling and handcuffing, of inmates who are pregnant or in postpartum recovery, unless extraordinary circumstances exist.

The House of Representatives member from the 38<sup>th</sup> District; Hawaii State Democratic Women's Caucus; a County of Maui Councilmember; Healthy Mothers, Healthy Babies Coalition of Hawaii; The American Congress of Obstetricians and Gynecologists, Hawaii Section; Community Alliance on Prisons; American Civil Liberties Union of Hawaii; Planned Parenthood of Hawaii; National Association of Reformed Criminals; Alu Like, Inc.; Hawaii Women's Coalition; and The Drug Policy Action Group supported this bill. The Department of Public Safety supported the intent of this bill.

Your Committees have amended this bill by:

- (1) During transport, prohibiting restraints of any kind on any committed female during any portion of her pregnancy, if her physician so orders; and
- (2) Requiring that all treating physicians, midwives, or nurses be informed of the requirements of restraints as they relate to pregnant offenders; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 219, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 219, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives C. Lee, Luke, Saiki, Souki, Wooley and Ching.

**SCRep. 1433 Consumer Protection & Commerce on S.B. No. 1273**

The purpose of this bill is to require the Insurance Commissioner to enforce consumer protections and market reforms that relate to health insurance as found in the federal Patient Protection and Affordable Care Act. This will ensure that the Insurance Commissioner has the authority to enforce this particular federal law.

The Insurance Commissioner 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. 1273, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Ito, B. Oshiro, Tsuji and Marumoto.

**SCRep. 1434 Judiciary on S.B. No. 1068**

The purpose of this bill is to create stronger protections for pet animals from abuse and cruelty by adding killing or attempting to kill a pet animal belonging to another without legal authority or consent to the offense of cruelty to animals in the first degree, with the exception of humane euthanasia by authorized individuals or entities and for landowners defending themselves, another, or another animal on the landowner's property.

The City and County of Honolulu Department of the Prosecuting Attorney, The Humane Society of the United States in Hawaii, Hawaiian Humane Society, Downtown Neighborhood Board No. 13, and many concerned individuals testified in support of this bill. The Hawaii Cattlemen's Council, Inc. supported the intent of this measure. The Office of the Public Defender opposed this bill. The Department of the Attorney General and the Hawaii Farm Bureau Federation offered comments on this measure.

Your Committee has amended this bill by:

- (1) Deleting the requirement that humane euthanasia must be performed by specified individuals or agencies in accordance with American Veterinary Medical Association accepted standards;
- (2) Deleting the exception for the use of force by a landowner in self defense, or in defense of another person or animal, on the landowner's property;
- (3) Establishing a choice of evils defense;
- (4) Applying exceptions for accepted veterinary practices, scientific research, and cropping or docking specifically to the component of the offense relating to the torture, mutilation, poisoning, or causing such action, resulting in the serious bodily injury or death of a pet or equine animal;
- (5) Applying exceptions for humane euthanasia and choice of evils explicitly to the component of the offense relating to the killing or attempted killing of any pet animal belonging to another without consent;
- (6) Changing its effective date to July 1, 2011; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1068, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1435      Judiciary on S.B. No. 946**

The purpose of this bill, as received by your Committee, is to establish the Access to Justice Trust Fund to be administered by a nonprofit entity to provide legal services for the poor, indigent, and other vulnerable populations.

For purposes of the public hearing, your Committee circulated a proposed draft prior to the hearing that deleted the contents of this bill as received by your Committee. The proposed draft:

- (1) Permits courts to allow parties to proceed as "Jane Doe" or "John Doe" where several factors are met, including the reasonableness of the petitioner's fears, risk of prejudice to the other party, and the impact on the public interest; and
- (2) Permits courts to seal records identifying the parties or containing sufficient information from which the parties' identities could be discerned if:
  - (A) Compelling reasons exist that outweigh the public's interest in disclosure; and
  - (B) The court believes that the files may be a vehicle for improper use if not made anonymous.

Your Committee received testimony on the proposed draft. The Hawaii Disability Rights Center, Hawaii State Coalition Against Domestic Violence, and two concerned citizens testified in support of the proposed draft. The Domestic Violence Action Center supported the intent of the draft. The Office of the Public Defender and American Civil Liberties Union of Hawaii opposed the draft. The Judiciary and two concerned individuals commented on the draft.

Your Committee finds that while the Judiciary has at times exercised its discretion to allow parties to proceed anonymously and to seal court records, this practice needs to be clarified. The proposed draft provides factors for the court to consider and a clear standard to be met prior to permitting parties to be identified as "Jane Doe" or "John Doe" or to sealing records that are presumptively open to the public. These provisions will allow for greater uniformity of these practices among the courts, and provide privacy protections to a party when necessary, as well as safeguards against unreasonable prejudice to the other party and injury to the public interest in disclosure.

Your Committee has amended the bill as received by your Committee with the provisions of the proposed draft that was circulated, as discussed above, and has made the following additional amendments:

- (1) Changing the effective date to January 1, 2012; and
- (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. 946, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 946, 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, Ito and Luke.

**SCRep. 1436      Judiciary on S.B. No. 1342**

The purpose of this bill is to clarify the requirements for displaying disabled parking placards in vehicles of persons with disabilities by allowing for disabled parking placards to be displayed on a vehicle's dashboard if the design of the vehicle's rearview mirror precludes secure hanging of the placard from the rearview mirror.

The Disability and Communication Access 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. 1342, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1437      Water, Land, & Ocean Resources on H.R. No. 71**

The purpose of this resolution is to urge the Department of Land and Natural Resources (DLNR) and the City and County of Honolulu to agree to a final determination regarding the ownership and jurisdiction of an unimproved section of Kaimakani Street.

Numerous concerned individuals supported this measure. The City and County of Honolulu Department of Design and Construction supported the intent. 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.R. No. 71 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1438 Water, Land, & Ocean Resources on H.C.R. No. 78**

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources (DLNR) and the City and County of Honolulu to agree to a final determination regarding the ownership and jurisdiction of an unimproved section of Kaimakani Street.

Numerous concerned individuals supported this measure. The City and County of Honolulu Department of Design and Construction supported the intent. DLNR and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1439 Consumer Protection & Commerce on S.B. No. 35**

The purpose of this bill is to amend the Motor Vehicle Industry Licensing Act to provide nonmanufacturer automobile distributors the same protections that were provided for local auto dealers in their relation with manufacturers in Act 164, Session Laws of Hawaii 2010.

The Department of Commerce and Consumer Affairs, the Motor Vehicle Industry Licensing Board, the Alliance of Automobile Manufacturers, and the Hawaii Automobile Dealers Association supported this bill.

Act 164 provided detailed rights, duties, and protections between auto dealers and manufacturers. Because nonmanufacturer automobile distributors were also intended to benefit from these same protections, this measure includes them in the provisions of the Motor Vehicle Industry Licensing Act.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35 and recommends that it pass Third Reading.

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

**SCRep. 1440 Consumer Protection & Commerce on S.B. No. 1483**

The purpose of this bill is to alleviate the administrative and financial burdens on condominium associations by allowing the association of a condominium project that includes time share units to maintain in its records the name and address of the time share association as the representative agent for the individual time share owners instead of the names and addresses of each individual time share owner, unless an individual owner requests their name and address be maintained.

Consolidated Resorts Management, LLC; Aston Hotels & Resorts, LLC; the Hawaii Legislative Action Committee of the Community Associations Institute; the Hawaii Council of Associations of Apartment Owners; and several concerned individuals supported this measure. The Hawaii Association of REALTORS expressed concerns, providing 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. 1483, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1441 Judiciary on S.B. No. 1416**

The purpose of this bill is to reduce the burden of new car owners in obtaining a certificate of inspection on their vehicles by lengthening the period during which new vehicles are exempted from safety inspections from two to three years after the date of purchase.

EAN Holdings, LLC, supported this bill. The City and County of Honolulu Department of Customer Services and a concerned individual opposed this bill. The Department of Transportation and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1442 Finance on S.B. No. 1260**

The purpose of this bill is to establish provisions relating to the State's allocation of the federally imposed limit on the principal amount of bonds that may be issued by issuers, with tax exempt interest, tax credits, interest subsidies, or other benefits under the Internal Revenue Code.

The Department of Budget and Finance 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. 1260, 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 Har and C. Lee.

**SCRep. 1443 Finance on S.B. No. 1318**

The purpose of this bill is to clarify the current application of the use tax by eliminating overbroad and redundant language in a provision relating to interstate commerce activities.

The Department of Taxation testified in support of this measure. 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 S.B. No. 1318, 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 Har and C. Lee.

**SCRep. 1444 Finance on S.B. No. 163**

The purpose of this bill is to:

- (1) Authorize the issuance of general obligation bonds to finance projects for the Executive Branch and the Judiciary; and
- (2) Make findings required by Article VII, section 13 of the Hawaii State Constitution to declare that the issuance of authorized bonds will not cause the debt limit to be exceeded.

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

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 163, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 163, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1445 Finance on S.B. No. 233**

The purpose of this bill is to deter smoking and provide additional revenue for anti-tobacco programs by:

- (1) Imposing an additional excise tax on tobacco products, other than cigarettes and cigars;
- (2) Imposing specific minimum taxes for specific categories of tobacco products and establishing requirements related to packaging for these products; and
- (3) Allocating an unspecified amount of funds from the existing excise tax on tobacco products, other than large cigars, to be expended by the Department of Health for tobacco prevention programs and treatments services.

Hawaii Primary Care Association, American Lung Association in Hawaii, Coalition for a Tobacco-Free Hawaii, American Cancer Society Hawaii Pacific Inc., Healthy Mothers Healthy Babies, and the National Federation of Filipino American Associations supported this bill. The Department of Taxation, Cigar Association of America, Inc., Hawaii Smokers Alliance, and several concerned individuals opposed this measure. The American Heart Association, Tax Foundation of Hawaii, and several concerned individuals submitted comments.

Your Committee has amended this measure by deleting its contents and inserting provisions that impose an excise tax amounting to \$1.60 per ounce of moist snuff. As amended, this measure contains an effective date of July 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 is in accord with the intent and purpose of S.B. No. 233, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 233, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1446 Finance on S.B. No. 1271**

The purpose of this bill is to provide adequate public notice of the state growth and expenditure ceiling and of grants awarded by the State.

The Department of Budget and Finance 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. 1271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1271, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1447 Finance on S.B. No. 1285**

The purpose of this bill is to allow agencies increased flexibility and resources to upgrade, improve, and replace technology as necessary by including agency-wide technology and computer systems with an estimated useful life of greater than seven years as capital investment costs.

The Department of Budget and Finance, Department of Accounting and General Services, and Department of Education testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1285, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, 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 C. Lee.

**SCRep. 1448 Finance on S.B. No. 1288**

The purpose of this bill is to ensure continued assistance to Hawaii's vulnerable populations by amending Act 191, Session Laws of Hawaii 2010, to provide additional appropriations from the Emergency and Budget Reserve Fund, extend the lapse date of appropriated moneys, and make necessary technical corrections.

The Governor; Department of Human Services; Department of Health; Executive Office on Aging; State Council on Developmental Disabilities; Maui County Office on Aging; Catholic Charities Hawaii; AARP; Partners in Care; Volunteer Legal Services Hawaii; Goodwill Industries of Hawaii, Inc.; Ala Kuola; PHOCUSED; Hawaii Primary Care Association; The Salvation Army; Hawaii Youth Services Network; The Children's Alliance of Hawaii, Inc.; Waianae Coast Comprehensive Health Center; Legal Aid Society of Hawaii; The Sex Abuse Treatment Center; Child & Family Service; Hawaii Substance Abuse Coalition; Adult Friends for Youth; and several concerned individuals supported this bill. The Judiciary, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Hale Mahaolu, and Life Foundation provided comments.

Pursuant to the requirements set forth in Article VII, section 9, of the Hawaii Constitution, the Governor, in Governor's Message No. 100 to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding situation.

Your Committee has amended this bill by:

- (1) Deleting amendments made to section 31 of Act 191 which appropriates moneys for domestic violence services; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1288, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1288, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1449 Finance on S.B. No. 199**

The purpose of this bill is to allow, in cases where the Public Utilities Commission establishes alternative mechanisms for compensating eligible customer-generators for exported power, eligible customer-generators with existing net energy metering contracts the option of maintaining the existing contracts, rather than converting to the alternative mechanisms.



Prior to the public hearing, your Committee circulated a proposed draft of this measure that replaces its substance with provisions that require the Director of Finance to transfer from a non-general fund to the general fund a cash amount equivalent to the renewable energy technology system tax credit (tax credit) claimed by a taxpayer in cases where:

- (1) The taxpayer has claimed the tax credit after June 30, 2009, and based on a renewable energy technology system (system) installed on real property leased from, owned by, or under the control of a state agency;
- (2) The state agency receives revenues from the lease of the real property, the energy generated by the system, or other arrangement with the taxpayer; and
- (3) The revenues received by the state agency have been deposited into a non-general fund.

SunRun Inc.; Mainstream Energy Corp.; REC Solar, Inc.; AEE Solar, Inc.; SunEdison; SolarCity; The Solar Alliance; SunPower; Hawaii Renewable Energy Alliance; and the Hawaii Solar Energy Association opposed the proposed draft of this bill. The Department of Taxation and Hawaii Community Development Authority submitted comments on the proposed draft of this bill.

Your Committee has amended this measure by adopting the proposed draft and incorporating additional technical revisions for style, clarity, and consistency. As amended, this measure contains an effective date of June 30, 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 S.B. No. 199, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1450 Finance on S.B. No. 570**

The purpose of this bill as received by your Committee is to:

- (1) Eliminate, either immediately or in phases, the state income tax deduction for general excise taxes paid by a taxpayer in taxable years beginning after December 31, 2010; and
- (2) Index income tax amounts for inflation.

For the purposes of a public hearing, your Committee circulated a proposed draft that deletes the bill's contents and replaces them with provisions that:

- (1) Provide for the taxation of certain pension income;
- (2) Eliminate the deduction for state taxes paid for taxpayers with income above specified thresholds;
- (3) Place temporary limitations on claims for itemized tax deductions; and
- (4) Delay the standard deduction and personal exemption increases approved under Act 60, Session Laws of Hawaii 2009, while also making those increases permanent.

The Department of Taxation and Imua Alliance supported the proposed draft. Several concerned individuals opposed the proposed draft. The Department of the Attorney General; Department of Budget and Finance; Policy Advisory Board for Elder Affairs; Tax Foundation of Hawaii; Military Officers Association of America, Hawaii Chapter; Hawaii State Teachers Association; AARP; and a concerned individual provided comments.

Your Committee has amended this bill by adopting the proposed draft.

Your Committee has further amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 570, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 570, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1451 Finance on S.B. No. 756**

The purpose of this bill, as received by your Committee, is to:

- (1) Assist the Department of Taxation (DOTAX) in establishing its computer system--the Integrated Tax Services and Management System--to allow taxpayers to file all tax returns, applications, reports, and other documents electronically, telephonically, and optically;
- (2) Establish the Integrated Tax Services and Management Special Fund, with moneys appropriated from the general fund, to improve customer services and taxpayer fairness, and increase cost savings, with an emphasis on electronic filings;
- (3) Require DOTAX to use performance-based contracts to enhance, acquire, or enhance and acquire automated tax systems;
- (4) Require the Director of Taxation to submit a report to the Legislature prior to the convening of every regular session that contains the status of the performance-based contracts and an accounting of all moneys appropriated;
- (5) Provide for the electronic payment for all taxes and taxpayers; and
- (6) Reestablish the last day of the month as the deadline for filing and payment of general excise taxes and the quarterly filing and payment of periodic insurance premium taxes.

For purposes of a public hearing on this bill, your Committee circulated a proposed H.D. 1 and notified the public that your Committee would be accepting testimony on the proposed H.D. 1. The proposed H.D. 1:

- (1) Establishes an excise tax on direct broadcast satellite service providers;
- (2) Requires renewable energy technology systems to be operational prior to January 1, 2015, to be eligible for the income tax credit;
- (3) Provides that income tax credits claimed during the 2012 taxable year for renewable energy technology systems shall be paid beginning July 1, 2013;
- (4) Requires DBEDT to conduct an evaluation of the effectiveness and ongoing need for the income tax credit for renewable energy technology systems beyond December 31, 2014;
- (5) Repeals the income tax exemption for income derived from stock options or stocks from qualified high technology businesses; and
- (6) Specifies a July 1, 2011, effective date.

The following testified on the proposed H.D. 1:

Satellite Broadcasting & Communications Association; DIRECTV; DISH Network; President of The Satellite Guy, Inc.; the General Manager of The Shack at Hawaii Kai; Mini Satellite Dish Company; Vice President of Hawaii Sound Systems; Manager of Big Island Satellite; Molokai Sight & Sound; Manager of D&MSatelliteSolutions; Pacific Rim Entertainment; Victory Satellite; President of DISH TV USA INC.; and Microcom opposed this bill. The Department of Taxation; Department of Business, Economic Development, and Tourism (DBEDT); Tax Foundation of Hawaii; Oceanic Time Warner Cable; and several concerned individuals commented on this measure.

Upon consideration, your Committee has amended this bill by deleting its substance and inserting provisions that, aside from technical, nonsubstantive amendments for clarity, consistency, and style, reflect the provisions contained in the proposed H.D. 1 version of the bill, as specified above.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 756, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 756, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

#### **SCRep. 1452 Finance on S.B. No. 831**

The purpose of this bill, as received by your Committee, is to work to attract private-sector capital investment to low-income areas and help finance community development projects, stimulate economic growth, and create jobs by establishing a state New Markets tax credit for qualified equity investment on a credit allowance date that are exempt from the requirements of Section 704(b)(2) of the Internal Revenue Code; provided that:

- (1) Community development entity investments are restricted to low-income communities in Hawaii; and
- (2) Franchise taxes under chapter 241, Hawaii Revised Statutes (HRS), and insurance premium taxes under chapter 431, HRS, are eligible for the tax credit.

Prior to the hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. As amended, the Proposed H.D. 1 maintained the provisions contained in S.B. No.831, S.D. 2, but added a provision to exempt federally tax exempt companies that supply potable water from the state income tax and general excise tax.

Enterprise Honolulu, Oahu Economic Development Board, and a concerned individual testified in support of this bill. A concerned individual testified in opposition to this measure. The Department of Taxation, Tax Foundation, and a concerned individual offered comments.

Your Committee has amended this measure by adopting the Proposed H.D. 1, and further amending this bill by:

- (1) Providing that the applicable percentage upon which the amount of the state New Markets tax credit is based will be set at twenty percent of the amount of the federal credit provided under Section 45D(a)(2) of the Internal Revenue Code of 1986, as amended;
- (2) Specifying that the percentage of median family income used for the determination of low-income communities is half of that provided for under Section 45D(e) of the Internal Revenue Code of 1986, as amended;
- (3) Making the recapture of the tax credit for non-qualifying taxpayers apply to five previous taxable years, if applicable;
- (4) Changing the applicability of this measure to taxable years beginning after December 31, 2030; 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 S.B. No. 831, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Coffinan.

**SCRep. 1453 Finance on S.B. No. 1186**

The purpose of this bill, as received by your Committee, is to work to address the current economic crisis facing the State by:

- (1) Levying the Transient Accommodations Tax (TAT) revenues from transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge; and
- (2) Limiting the dollar amount of TAT revenues transferred to the Tourism Special Fund and to the counties until July 1, 2015.

This measure also requires part of the excess revenues collected under the TAT and deposited into the general fund to be used for environmental protection, improvements to public facilities impacted by visitors, and advancing Hawaiian culture and the arts.

Prior to the hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. As amended, the purpose of the Proposed H.D. 1 is to address the current economic crisis facing the State by:

- (1) Establishing a daily minimum tax on transient accommodations furnished at no charge for the period beginning on July 1, 2011, until June 30, 2015;
- (2) Increasing the TAT rate on resort time share vacation units to equal the rate on other transient accommodations for the period beginning on July 1, 2011, until June 30, 2015; and
- (3) Limiting the TAT revenue distribution to the counties to approximately the same amount distributed to the counties in Fiscal Year 2009-2010 until June 30, 2015.

The Department of Taxation testified in support of this bill. Starwood Hotels and Resorts; Disney Vacation Club in Hawaii; PAHIO Development, Inc.; Starwood Vacation Ownership; three Councilmembers of the Maui County Council; and several concerned individuals testified in opposition to this measure. The Department of Budget and Finance, Mayor of the City and County of Honolulu, Hawaii Council of Mayors, Tax Foundation of Hawaii, American Resort Developers Association-Hawaii, Resort Owners' Coalition of the American Resort Developers Association, and Wyndham Worldwide offered comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the Proposed H.D. 1; and
- (2) Making additional technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1186, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1186, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1454 Finance on S.B. No. 1356**

The purpose of this bill is to provide fairness in tax administration by prohibiting the imposition of multiple penalties with respect to certain tax underpayments and wilful failure to collect and pay over taxes.

Several concerned individuals supported this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that prohibit the imposition of penalties under section 231-36.4, Hawaii Revised Statutes, as the penalties under this section constitute criminal penalties;
- (2) Inserting provisions that reestablish the end of the month as the deadline for the filing and payment of various taxes;
- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1356, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1356, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 1455 Finance on S.B. No. 120**

The purpose of this bill as received by your Committee is to address the State's fiscal needs by:

- (1) Terminating certain funds for which the statutory authority has expired and depositing the remaining amounts into the general fund;
- (2) Repealing certain special and revolving funds of the University of Hawaii and converting certain other funds from revolving funds to special funds;
- (3) Transferring unspecified excess balances from various non-general funds into the State's general fund; and
- (4) Repealing certain other special funds and transferring the unencumbered balances to the general fund.

For the purposes of a public hearing, your Committee circulated and received testimony on a proposed draft that:

- (1) Adds additional funds from which moneys will be transferred into the general fund, removes certain funds from among those from which moneys will be transferred into the general fund, and inserts the amount of moneys that will be transferred from each fund;
- (2) Includes provisions that require the Director of Finance to transfer moneys from the Compliance Resolution Fund to retroactively fund all interest payments on general obligation bonds issued to assist the operations of the Department of Commerce and Consumer Affairs through infrastructure improvements and collect payment for the interest on the general obligation bonds from the fund each year thereafter;
- (3) Temporarily repeals the requirement that tax revenues from the banking industry be deposited into the Compliance Resolution Fund;
- (4) Temporarily suspends the distribution of a portion of the conveyance tax to the Land Conservation Fund; and
- (5) Diverts a certain portion of Tobacco Settlement moneys into the general fund for fiscal years 2011 and 2012.

The Hawaii Smokers Alliance supported this bill. The Insurance Division of the Department of Commerce and Consumer Affairs (DCCA); Division of Financial Institutions of DCCA; Department of Health; Hawaii Teacher Standards Board; University of Hawaii at Manoa; Aloha Aina O Kamilo Nui; Blue Planet Foundation; Sierra Club-Hawaii Chapter; Boys and Girls Club of Hawaii; Conservation Council for Hawaii; American Council of Life Insurers; Pietsch Properties, LLC; Wireless Enhanced 911 Board; Hawaii Primary Care Association; American Heart Association; Hawaii State Center for Nursing; KAHEA: The Hawaiian-Environmental Alliance; Kaala Farm, Inc.; Rising Up, Inc.; The Queen's Medical Center; Historic Hawaii Foundation; and numerous concerned individuals opposed this measure. The Department of Budget and Finance; Department of the Attorney General; Department of Accounting and General Services; Department of Human Services; Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; DCCA; Department of Transportation; Department of Land and Natural Resources; Department of Hawaiian Home Lands; Department of Education; Hawaii Community Development Authority; University of Hawaii System; County of Hawaii Police Department; Tax Foundation of Hawaii; University of Hawaii Foundation; Healthcare Association of Hawaii; CTIA-The Wireless Association; National Emergency Number Association; Hawaiian Islands Land Trust; Hawaii Bankers Association; The Nature Conservancy; Coalition for a Tobacco-Free Hawaii; Hawaii Chronic Obstructive Pulmonary Disease Coalition; The Trust for Public Land; Ma Ka Hana Ka Ike; Hawaii Insurers Council; and several concerned individuals provided comments.

Your Committee has amended this bill by adopting the proposed draft.

Your Committee has further amended this bill by:

- (1) Reestablishing the Patients' Compensation Fund and removing provisions that transfer moneys in the fund to the general fund;
- (2) Specifying that the unencumbered balances in the University of Hawaii at Manoa Conference Center Revolving Fund will be deposited into the University of Hawaii Commercial Enterprises Revolving Fund;
- (3) Amending the list of funds from which moneys will be transferred into the general fund with specified amounts to include the:
  - (A) State Risk Management Revolving Fund;

- (B) Stadium Special Fund;
  - (C) Medicaid Investigations Recovery Fund;
  - (D) Aloha Tower Special Fund;
  - (E) Waiialua Loan Subsidy Program;
  - (F) University of Hawaii Faculty Housing Project Series 1995 Bond Proceed Special Fund;
  - (G) Kikala-Keokeo Housing Revolving Fund;
  - (H) Compliance Resolution Fund – Business Registration Sub-account;
  - (I) Hawaii Teacher Standards Board Special Fund;
  - (J) School Food Service Special Fund;
  - (K) Community Use of School Facilities Special Fund;
  - (L) Federal Grants Search, Development, and Application Revolving Fund;
  - (M) Health Care Revolving Fund;
  - (N) Mental Health and Substance Abuse Special Fund;
  - (O) Drug Demand Reduction Assessments Special Fund;
  - (P) Neurotrauma Special Fund;
  - (Q) Environmental Management Special Fund;
  - (R) Deposit Beverage Container Deposit Special Fund;
  - (S) Newborn Metabolic Screening Special Fund;
  - (T) Trauma System Special Fund;
  - (U) Employment and Training Fund;
  - (V) Special Unemployment Insurance Administrative Fund; and
  - (W) Premium Supplemental Fund;
- (4) Repealing the Rx Plus Program and the State Pharmacy Assistance Program in addition to the associated special funds;
  - (5) Inserting provisions that allow for an expedited process for fee recovery for the Division of Financial Institutions until December 31, 2011;
  - (6) Reducing from ten percent to 5 percent the diversion of moneys from the Land Conservation Fund;
  - (7) Changing the years in which Tobacco Settlement moneys will be diverted from the Emergency and Budget Reserve Fund into the general fund from fiscal years 2011 and 2012 to fiscal years 2012 and 2013;
  - (8) Changing the years in which Tobacco Settlement moneys will be diverted from the Hawaii Tobacco Prevention and Control Trust Fund into the general fund from fiscal years 2011 and 2012 to fiscal years 2011 through 2014;
  - (9) Transferring \$15,000,000 from the Hawaii Tobacco Prevention and Control Trust Fund into the general fund in each of fiscal years 2011-2012 and 2012-2013; and
  - (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1456 Finance on S.B. No. 754**

The purpose of this bill, as received by your Committee, is to address a problem facing Hawaii's small business community by amending the priority of distribution for partial tax payments. Specifically, the measure changed the priority of distribution for partial tax payments made to the Department of Taxation (DOTAX) from being credited first to interest, then penalties, and finally to principal, to being credited to principal first, then penalties, then interest.

Prior to the hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. The purpose of the Proposed H.D. 1 is to address the current economic crisis facing the State by:

- (1) Temporarily suspending the general excise and use tax exemptions for certain amounts received by certain persons or for certain uses and, instead, requiring payment of the applicable tax on those amounts or for those uses at a specified rate for the period beginning on January 1, 2012, and ending on June 30, 2015;
- (2) Retaining the existing general excise tax exemption for nonprofit organizations, with the exception of the value or gross income received by nonprofit organizations from certain conventions, conferences, trade shows, or display spaces; and
- (3) Establishing certain information reporting requirements to be required by the Director of Taxation and to begin on January 1, 2012.

DOTAX, the Policy Board for Elder Affairs, and IMUAlliance supported this bill. The Retail Merchants of Hawaii; PVT Land Company; Ship Repair Association of Hawaii; Hawaiian Airlines; American Fraternal Alliance; Thrivent Financial for Lutherans; Woodmen of the World; The Independent Order of Foresters and Knights of Columbus; Air Transport Association; Honua Power, LLC; Airlines Committee of Hawaii; Sheet Metal Contractors Association; HSI Mechanical, Inc.; Master Sheet Metal, Inc.; CTIA-The Wireless Association; American Council of Engineering Companies of Hawaii; Land Use Research Foundation of Hawaii; Plumbing and Mechanical Contractors Association of Hawaii; and Covanta Energy Corporation opposed this measure. The Department of Budget and Finance; Hawaii Tourism Authority; Tax Foundation of Hawaii; Alexander & Baldwin, Inc.; Hawaii Harbor Users Group; Hawaii Alliance of Nonprofit Organizations; and Hawaii State Bar Association offered comments.

Your Committee has amended this bill by adopting the language contained in the Proposed H.D. 1 and has further amended the measure by:

- (1) Temporarily suspending the general excise and use tax exemptions for a period of only two fiscal years;
- (2) Imposing the general excise tax and use tax at a rate of four percent instead of gradually escalating rates from two to four percent over specific time periods;
- (3) Mandating the Director of Taxation to begin requiring information reporting on all exclusions or exemptions of all amounts, persons, or transactions from the general excise tax and use tax beginning on July 1, 2011, instead of 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 754, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1457 Finance on S.B. No. 778**

The purpose of this bill is to repeal Act 155, Session Laws of Hawaii 2010 (Act 155), which:

- (1) Requires all businesses that enjoy general excise tax (GET) exemptions to register to do business in Hawaii, timely file their annual GET returns, and expressly claim their entitlement; and
- (2) Establishes a personal trust liability for businesses that use the GET as the basis for increasing prices, to ensure those funds are paid to the State for the benefit of consumers and businesses.

The Chamber of Commerce of Hawaii; Hawai'i Alliance of Nonprofit Organizations; Tax Committee of the Hawaii Society of Certified Public Accountants; Chun, Kerr, Dodd, Beaman & Wong; and several concerned individuals supported this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Considering the merits of Act 155, your Committee has amended this bill by deleting its substance and inserting provisions that amend the codified provisions of Act 155. As amended, this bill:

- (1) Includes an additional requirement for a taxpayer to qualify for GET benefits, to provide that the taxpayer claiming a GET benefit must owe less than 50 percent of the taxpayer's total GET liability;
- (2) Defines "reasonable cause" with respect to the Director of Taxation's authority to waive denial of the GET benefit if failure to comply is due to reasonable cause and not to the willful neglect of the taxpayer;
- (3) Specifies that there shall be personal liability for general excise taxes imposed for gross income or gross proceeds for gross excise tax liability not paid;

- (4) Deletes provisions under section 237-41.5, Hawaii Revised Statutes, that make a person personally liable for interest and penalties on general excise taxes; and
- (5) Specifies a July 1, 2030, effective date to facilitate continued discussion 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. 778, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 778, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1458 Finance on S.B. No. 741**

The purpose of this bill as received by your Committee is to authorize county liquor commissions to adopt rules to develop and offer a certification program to provide training for individuals who work as servers or sellers at licensed premises. This measure also permits the liquor commission of each county to prohibit any person from working as a server or seller without certification.

For the purposes of a public hearing, your Committee circulated a proposed draft that deletes the bill contents and inserts provisions that:

- (1) Increases liquor tax rates beginning July 1, 2011;
- (2) Reduces the liquor tax rate on the first 60,000 barrels produced in a small brewery or brewpub; and
- (3) Permits the provision of a discount through coupons or mail-in rebates for liquor purchases when made in combination with other merchandise.

The Department of Budget and Finance supported this proposed draft. Anheuser-Busch Companies, the Distilled Spirits Council of the United States, Hawaii Food Industry Association, Southern Wine & Spirits of Hawaii, Roy's Restaurants, Kolani Distillers, Maui Hotel & Lodging Association, Wine Institute, Gyotaku Japanese Restaurants, Alan Wong's Restaurants, Murphy's Bar and Grill, Hilton Worldwide, Kai Vodka LLC, Crown Imports, Minit Stop, and numerous concerned individuals opposed this proposed draft. The Department of Taxation, Department of the Attorney General, Department of Health, Tax Foundation of Hawaii, Anheuser-Busch Sales of Hawaii, Kona Brewing Company, Maui Brewing Co., MillerCoors, Big Island Brewhaus, Hawaii Liquor Wholesalers Association, and several concerned individuals provided comments.

Your Committee has amended this bill by adopting the proposed draft. Your Committee has further 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. 741, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1459 Energy & Environmental Protection/Water, Land, & Ocean Resources on S.B. No. 1006**

The purpose of this bill is to provide the Department of Health (DOH) with additional time to revise and update certain state water quality standards for marine waters to conform to levels recommended by the State of Hawaii and the United States Environmental Protection Agency (EPA).

The City and County of Honolulu Department of Environmental Services supported this bill. The Sierra Club-Hawaii Chapter opposed this measure. Waimalu Valley Ranch offered comments.

Conforming the State's water-quality standards for toxic pollutants to the national criteria currently recommended by the EPA is important to the State's economic and social health as well as the protection of its natural resources and inland and marine waters. Act 126, Session Laws of Hawaii 2009 (Act 126), was an aggressive attempt to address this issue and encourage the timely application of those standards. When Act 126 was enacted, it was envisioned that revised water-quality standards would be completed and approved by 2011. However, this is not the case. Although DOH has been working on the revised water-quality standards in a three-phase approach, delays have occurred. While the first set of revisions was approved by EPA, the second set of revisions has been pending with EPA since February 16, 2010, and the third set of revisions has not yet gone through DOH's rulemaking procedures. Furthermore, according to previous testimony submitted by DOH on the House version of this measure, the second set of revisions was orally rejected by EPA, which cited concerns that Hawaii's fish-consumption rate was higher than the national average used to calculate the human-health criteria for toxic pollutants and that Hawaii's adoption of the national criteria would not sufficiently protect the local population within acceptable tolerance levels. Therefore, DOH stated that it needed additional time to complete a fish-consumption survey, perform statistical analysis on the data collected, recalculate the toxic-pollutant criteria based upon the fish-consumption data, and present the data to EPA and that the companion measure of this bill provided them with this additional time.

Accordingly, your Committees have amended this bill by:

- (1) Specifically providing DOH with an additional two years to revise and update certain state water-quality standards for marine waters by changing the sunset date of Act 126 to June 30, 2013, rather than repealing the sunset date entirely;
- (2) Changing its effective date to June 29, 2011; and

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

Your Committees note that DOH did not submit written testimony, provide oral testimony, or send a representative to the public hearing to respond to questions committee members may have had. Because this is an important matter and one in which DOH is integrally involved, your Committees find this lack of action by DOH disappointing and urge DOH to examine this issue closely and inform committee members of its comments on the possible enactment of this legislation.

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. 1006, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1006, 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, Ito and Riviere.  
(Representative Thielen voted no.)

**SCRep. 1460      Judiciary on S.B. No. 172**

The purpose of this bill is to protect the public health and safety by, among other things:

- (1) Requiring that display fireworks be labeled to meet certain specifications;
- (2) Authorizing the county fire chiefs to:
  - (A) Conduct inspections of the persons conducting a display, including the site where the display will be conducted; and
  - (B) Revoke or suspend a permit for a display for specific conditions;
- (3) Establishing a \$200 fee for inspecting a display site;
- (4) Limiting the detonation of display fireworks, articles pyrotechnic, and aerial devices to the hours of 9:00 a.m. to 9:00 p.m., except at the county fire chief's discretion for special events; and
- (5) Requiring those applying for firework licenses to provide certain information to the appropriate county fire chief.

The State Fire Council, Honolulu Fire Department, Department of the Prosecuting Attorney of the City and County of Honolulu, and Department of Fire and Public Safety of the County of Maui testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Adding language specifying that the labeling requirements shall apply to display fireworks, article pyrotechnics, or aerial devices used for a display;
- (2) Specifying the type of contact information required of the licensee;
- (3) Clarifying that "display site inspections" are to be conducted to verify compliance with applicable law;
- (4) Inserting references to relevant statutes;
- (5) Adding a definition for "movie" and "television production";
- (6) Deleting the limitation that exemptions from the time constraints for a movie or television production require a permit from DBEDT;
- (7) Changing the effective date to January 7, 2059, to encourage continued discussion; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 172, 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. 172, S.D. 2, H.D. 2.

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

**SCRep. 1461      Judiciary on S.B. No. 1025**

The purpose of this bill, as received by your Committee, is to create new criminal offenses for assaulting a firefighter or water safety officer.

The State Fire Council, City and County of Honolulu Department of the Prosecuting Attorney, Maui Department of Fire and Public Safety, Hawaiian Lifeguard Association, Hawaii Government Employees Association, Hawaii State Association of Counties, City and County of Honolulu Emergency Services Department, and several concerned individuals testified in support of this measure as received by your Committee.

Your Committee circulated a proposed draft prior to the hearing that made the following amendments to the bill as received:



- (1) Establishing a new class B felony offense under section 708-812.6, Hawaii Revised Statutes (HRS), regarding unauthorized entry in a dwelling, for situations involving elderly and disabled individuals;
- (2) Creating labor trafficking provisions that establish:
  - (A) Labor trafficking offenses in the first and second degrees;
  - (B) Additional sentencing considerations by the court for victims held in servitude;
  - (C) Extended terms of imprisonment for labor trafficking offenses;
  - (D) The offense of nonpayment of wages if a person, as an employer of an employee, wilfully or with intent defrauds, fails or refuses to pay wages to the employer; and
  - (E) The offense of unlawful conduct with respect to documents;

and
- (3) Changing its effective date to January 7, 2059.

The Polaris Project, Pacific Alliance to Stop Slavery, Office of Community Services, and several concerned individuals testified in support of this measure as amended in the proposed draft. The Office of the Public Defender opposed the proposed measure. The Department of the Attorney General, Maui Department of Fire and Public Safety, Kauai Fire Department, Honolulu Fire Department, and several concerned individuals provided comments.

Your Committee finds that firefighters and water safety officers provide a public service and these personnel need special protection. However this can be achieved without creating penalties including mandatory incarceration. Your Committee has determined that punishing the assault of these two groups of public servants under the special protection of assault in the second degree, a class C felony, is sufficient protection.

Your Committee notes there is a need to raise awareness that a home invasion is a particularly traumatic experience for vulnerable elderly and disabled individuals present during the intrusion. The creation of a new class B felony for home invasion would address this problem.

Your Committee acknowledges that there is strong support for implementing labor trafficking laws, as well as considerable concern that separately-defined offenses relating to labor trafficking as currently codified in our statutes are unnecessary and redundant. Your Committee recognizes that Hawaii is one of a handful of states that does not have specific labor trafficking laws. Meanwhile, labor trafficking has and does frequently occur in this State. Your Committee believes that establishing specific offenses for labor trafficking is beneficial and will send an unmistakable warning to individuals and entities engaged in labor trafficking and related offenses. In addition, for victims of these injustices, labor trafficking laws will shine a light on a criminal industry often shrouded in secrecy and provide a clearer and better-defined means for law enforcement agencies to protect and aid victims of trafficking.

Further, your Committee finds that training and education on labor trafficking is needed and believes that the proposed draft will provide the incentive for law enforcement agencies, service providers, and other state agencies and community organizations to address this need. Your Committee notes Part III of this bill addressing labor trafficking has some necessary alterations and drafting corrections that should be considered as this measure advances.

Your Committee has amended this bill by incorporating the provisions of the proposed draft and further amending the proposed draft by:

- (1) Including the provisions relating to the offense of assaulting a firefighter or water safety officer in the first degree to the existing offense of assault in the second degree under section 707-711, HRS;
- (2) Requiring the Attorney General to submit a report to the Legislature on the implementation of the labor trafficking provisions, no later than twenty days prior to the convening of the Regular Session of 2015;
- (3) Repealing Part III of this bill, regarding labor trafficking, on December 31, 2017; 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. 1025, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1025, S.D. 1, H.D. 1.

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

**SCRep. 1462      Judiciary on S.B. No. 173**

The purpose of this bill is to prevent children from playing with novelty lighters and causing fires by prohibiting the retail sale and distribution of novelty lighters within the State.

The State Fire Council, Honolulu Fire Department, County of Maui Department of Fire and Public Safety, and Kauai Fire Department supported this bill. The Lighter Association Inc. opposed this bill.

Your Committee has amended this bill by adding to the definition of novelty lighter the expressed exclusion of:

- (1) Any lighter manufactured prior to 1980 or any lighter that lacks fuel or a component necessary to produce flame or combustion; and
- (2) Standard disposable and refillable lighters that are printed or decorated with logos, labels, decals, or artwork, or heat shrinkable sleeves.

As affirmed by the record of votes of 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. 173, 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. 173, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1463      Judiciary on S.B. No. 782**

The purpose of this bill is to establish that any person who knowingly or intentionally possesses, constructs, sets off, ignites, discharges, or explodes any homemade explosive device that is capable of instantaneously releasing a sufficient amount of energy to inflict substantial damage to persons or property shall be guilty of a class C felony.

The State Fire Council, Honolulu Fire Department, County of Maui Department of Fire and Public Safety, and Kauai Fire Department testified in support of this measure. The Office of the Public Defender provided comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 782, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1464      Judiciary on S.B. No. 217**

The purpose of this bill is to expand the ability of sex abuse victims to seek civil claims and damages for abuse occurring during childhood by, among other things:

- (1) Allowing a cause of action for damages for physical, psychological, or other injury or condition arising from the sexual abuse of a minor by an adult, which may be commenced within:
  - (A) Eight years of the plaintiff attaining the age of majority; or
  - (B) Three years of the date the plaintiff learned or reasonably should have learned of the resulting psychological injury or illness occurring after the age of majority;
- (2) Allowing those victims of child sexual abuse who were barred by the expiration of the former statute of limitations from filing suit against their abusers to file claims in circuit court for a two-year period following the effective date of this bill;
- (3) Allowing victims previously barred from bringing claims, as discussed in paragraph (2), to bring civil claims against legal entities, except the State, if the abuser was employed by that entity and it owed a duty of care to the victim or exercised some degree of responsibility or control over the activity in which the victim and abuser were engaged when the abuse occurred;
- (4) Allowing an accused party to recover attorney's fees if the court determines that a false accusation was made with no basis in fact and malicious intent; and
- (5) Requiring that a plaintiff bringing a civil claim for sexual abuse as a minor to file a certificate of merit containing a notarized statement by certain qualified professionals that there is a reasonable basis to conclude that one or more acts of sexual abuse occurred.

The Sex Abuse Treatment Center and a large number of concerned individuals testified in support of this measure. The Hawaii Catholic Conference and Hawaii Family Forum opposed this bill. The Department of the Attorney General, City and County of Honolulu Department of the Corporation Counsel, and many concerned individuals provided comments.

Your Committee finds that organizations, as well as adults, contribute to instances of childhood sexual abuse and should be held accountable for their role in the commission of these inexcusable acts. In particular, your Committee acknowledges the comments of the Hawaii Catholic Conference and Hawaii Family Forum about protecting all children from abuse and agrees that all entities should be equally subject to civil actions for past sexual abuse of minors, including the State.

Your Committee notes that the State can and does waive its sovereign immunity in other special circumstances. Addressing the sexual abuse of minors is as worthy a reason as the others for the State's waiver of sovereign immunity.

Furthermore, your Committee agrees with the Department of the Attorney General that a similar California statute for such civil actions provides a reasonable framework. Therefore, your Committee has determined that additional provisions of the California law will be adopted, including:

- (1) The requirement that a certificate of merit must be filed for plaintiffs who are 26 years of age or older at the time the action is commenced; and
- (2) The addition of the State as an eligible entity to be sued for past and future claims.

Accordingly, your Committee has amended this measure by:

- (1) Adding provisions to allow claims against legal entities in addition to natural persons;
- (2) Removing the State's exemption from liability; and
- (3) Requiring a certificate of merit only for plaintiffs who are 26 years of age or older.

As affirmed by the record of votes of 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. 217, 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. 217, S.D. 2, H.D. 2.

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

**SCRep. 1465      Judiciary on S.B. No. 1325**

The purpose of this bill is to promote highway safety by preventing motorcycles that were manufactured for off-road use from being registered and used on public roads. Specifically, this bill:

- (1) Defines "aftermarket motorcycle frame";
- (2) Allows the county director of finance to assign a vehicle identification number to a motorcycle with an aftermarket frame; and
- (3) Except for special interest vehicles, reconstructed vehicles, and motorcycles with an aftermarket frame, disallows the registration of uncertified motor vehicles and devices.

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

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1325, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1325, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1466      Judiciary on S.B. No. 1349**

The purpose of this bill is to allow nonprofit corporations to more efficiently conduct voting by implementing certain portions of the Model Nonprofit Corporations Act to allow members and directors of Hawaii nonprofit corporations to take votes on actions by electronically-transmitted ballots.

The Department of the Attorney General, Department of Commerce and Consumer Affairs, University of Hawaii Professional Assembly, Aloha Society of Association Executives, Hawaii Association of Independent Schools, and Hawaii Alliance of Nonprofit Organizations testified in support of this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1349, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1349, S.D. 1, H.D. 1.

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

**SCRep. 1467      Judiciary on S.B. No. 1040**

The purpose of this bill is to protect the health and safety of workers by increasing the amounts of the civil penalties and criminal fines for violations of the Hawaii Occupational Safety and Health Law.

The Department of Labor and Industrial Relations testified in support of this measure. The Roofing Contractors Association of Hawaii and General Contractors Association opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, 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. 1040, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1468 Finance on S.B. No. 1171**

The purpose of this bill is to provide the Department of Education (DOE) with the flexibility to help implement reform plans by permitting an exception from the single school calendar for schools designated by the Board of Education in furtherance of a plan to improve educational outcome in students.

The Hawaii State Teachers Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1469 Finance on S.B. No. 1174**

The purpose of this bill is to continue to work toward addressing the funding and administration of charter schools by:

- (1) Requiring the Charter School Administrative Office to include with the budget and capital improvement projects request, a detailed explanation of the formula used for needs-based facilities funding requests and a funding request breakdown by school;
- (2) Re-establishing the Charter Schools Facilities Funding Task Force and requiring the Task Force to develop a needs-based facilities funding formula, process, or both, to be used in the calculations of charter school facilities funding;
- (3) Permitting charter schools to appeal a denial of reauthorization by the Charter School Review Panel to the Board of Education;
- (4) Requiring charter schools and their local school boards to develop internal policies and procedures consistent with ethical standards of conduct;
- (5) Changing the frequency of each charter school's evaluation to every six years from every five years after the initial evaluation; and
- (6) Establishing a task force on charter school governance, accountability, and authority to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of the charter school system.

The Department of Education, Office of Hawaiian Affairs, Hawaii State Teachers Association, Kamehameha Schools, Hawaii Charter Schools Network, and Hookakoo Corporation supported this bill. The Charter School Administrative Office and Hawaii Technology Academy 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. 1174, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1470 Finance on S.B. No. 1281**

The purpose of this bill is to promote stability and predictability for principals and school community councils with respect to the weighted student formula by allowing the Committee on Weights to meet, thereby re-opening the weighted formula, only once every odd-numbered year, rather than requiring it to meet at least once a year.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1471 Finance on S.B. No. 1282**

The purpose of this bill is to prepare for the implementation of newly-adopted Common Core State Standards for public schools by repealing the administration of norm-referenced testing for certain grades on July 1, 2015. This bill also makes a school or complex that administers norm-referenced testing responsible for all contracts and costs relating to the testing.

The Department of Education and Hawaii State Teachers Association 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. 1282, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1472 Finance on S.B. No. 1284**

The purpose of this bill is to ensure that students with disabilities in private special education schools and placements as a result of hearing officers' decisions, court orders, or programmatic placement receive a quality education by, among other things:

- (1) Authorizing the Department of Education (DOE) to monitor students with disabilities who are placed in private schools or placements at DOE's expense, and requiring DOE to withhold payment if student monitoring is restricted or denied;
- (2) Requiring private schools and placements that receive DOE funds to annually post itemized rates, fees, and tuition and to charge DOE the same rates, fees, and tuition as that charged to parents and guardians who unilaterally place a student at the private school or placement;
- (3) Requiring DOE to pay only for private school or placement services that are specified in a student's individualized education program; and
- (4) Providing certain exemptions for full and accredited members in good standing of the Hawaii Association of Independent Schools and the Hawaii Catholic Schools while allowing DOE to monitor students eligible for special education and related services at such schools at DOE's expense.

DOE, the Special Education Advisory Council, Hawaii Association of Independent Schools, Community Children's Council of Hawaii, and a concerned individual supported this bill. The Hawaii State Teachers Association, Hawaii Disability Rights Center, Autism Society of Hawaii, and several concerned individuals opposed this measure.

Your Committee notes the concerns raised by the Hawaii Disability Rights Center that this measure may violate the Individuals with Disabilities Education Act (IDEA) and the court opinions that have interpreted IDEA, as the United States Supreme Court has ruled that a school district's authority to control the cost of a private placement is limited to situations in which the school district on its own decided to provide a child a Free and Appropriate Public Education, or FAPE, by placing the child in the private setting (*Florence County School District v. Carter*, 510 U.S. 7, 114 S. Ct. 361 (1993)). As such, your Committee urges the Attorney General to review the current measure to determine its compliance with federal law and previous court rulings on this matter, including any rulings by the Supreme Court.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1473 Finance on S.B. No. 1485**

The purpose of this bill is to help improve the quality of education in Hawaii by authorizing the Superintendent of Education to:

- (1) Reconstitute public schools, except for charter schools, after specified considerations have been made, that are in restructuring for four or more school years; and
- (2) Recommend to the Charter School Review Panel actions that should be taken to reconstitute a charter school that has been in restructuring for four or more school years, including the revocation of a school's charter.

The Department of Education and Hawaii Association of Independent Schools testified in support of this bill. The Hawaii State Teachers Association, Hawaii Government Employees Association, and Imua Alliance testified in opposition to 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. 1485, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1474 Finance on S.B. No. 81**

The purpose of this bill is to extend the termination date of the Starlight Reserve Advisory Committee to June 30, 2013.

The Starlight Reserve Committee, Department of Transportation, and University of Hawaii System testified in support of this measure. The Department of Business, Economic Development, and Tourism and Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by changing its effective date to June 29, 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 S.B. No. 81, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 81, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1475 Finance on S.B. No. 590**

The purpose of this bill is to extend the sunset date of the Legislative Federal Economic Stimulus Program Oversight Commission (Commission) from June 30, 2011, to December 31, 2011.

The Commission supported this bill.

Your Committee has amended this measure by changing its effective date to June 29, 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 S.B. No. 590, 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. 590, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1476 Finance on S.B. No. 758**

The purpose of this bill is to include the small purchase method of procurement within the scope of Hawaii Compliance Express.

The State Procurement Office and The Hawaii Business League supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to October 1, 2011; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 758, 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. 758, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1477 Finance on S.B. No. 779**

The purpose of this bill is to preserve creativity and competition in the construction contract procurement process by establishing and incorporating the design-build method as an alternative procurement method into the Hawaii Public Procurement Code, to be employed at the discretion of the procurement officer.

The Department of Accounting and General Services; Department of Education; Ralph S. Inouye Co., Ltd.; Bills Engineering, Inc.; MOSS Engineering, Inc.; Kai Hawaii; SSFM International; Pacific Geotechnical Engineers, Inc.; Consulting Structural Hawaii, Inc.; Kennedy/Jenks Consultants; InSynergy Engineering Inc.; The Limtiaco Consulting Group; American Council of Engineering Companies of Hawaii; General Contractors Association of Hawaii; and a company supported this bill. The State Procurement Office and Department of Transportation offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 779, 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. 779, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1478 Finance on S.B. No. 1107**

The purpose of this bill is to address taxation in the State by, among other things:

- (1) Exempting from the General Excise Tax (GET) certain amounts received by specified related entities;
- (2) Specifying that the Director of Taxation may subpoena witnesses, examine them under oath, and require the production of books, papers, documents, or other records, including electronic records, that are material or relevant to a criminal investigation conducted by the Director;
- (3) Establishing parameters for the use of subpoena powers in criminal investigations conducted by the Director; and

- (4) Specifying that compliance with a subpoena issued by the Department of Taxation (DOTAX) will not give rise to a civil action for damages against an individual who has complied with the subpoena.

A concerned individual supported this measure. DOTAX, the Tax Foundation of Hawaii, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Clarifying which amounts received by specified related entities are exempt from the GET;
- (2) Removing provisions related to DOTAX's subpoena authority;
- (3) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, 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. 1107, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1479 Finance on S.B. No. 142**

The purpose of this bill is to require the Board of Land and Natural Resources to:

- (1) Consider dams and reservoirs as important water resources for the State that provide significant public benefits; and
- (2) Acknowledge the need for dams and reservoirs to be maintained and operated in a safe and feasible manner that sustains their role as important water resources.

The Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company supported this bill. The Department of Land and Natural Resources submitted comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 142, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 142, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1480 Finance on S.B. No. 1241**

The purpose of this bill is to assist the State in addressing its financial difficulties by repealing the conveyance tax exemption for the sale or transfer of real property that has been certified by the Hawaii Housing Finance and Development Corporation (HHFDC) for low-income housing development.

HHFDC and Catholic Charities Hawaii supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by changing its effective date to July 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 is in accord with the intent and purpose of S.B. No. 1241, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1241, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1481 Finance on S.B. No. 1311**

The purpose of this bill is to:

- (1) Authorize the Department of Land and Natural Resources (DLNR) to collect fees to cover the technical assistance program costs associated with assisting landowners in developing habitat conservation plans through technical assistance; and
- (2) Requiring DLNR to adopt rules for establishing the fees.

DLNR; the Department of Business, Economic Development, and Tourism; and Earthjustice commented on this bill.

Your Committee has amended this measure by:

- (1) Clarifying that the fees authorized to cover the technical assistance program costs are to be deposited into the Endangered Species Trust Fund under section 195D-31, Hawaii Revised Statutes;
- (2) Changing its effective date to July 1, 2030, 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. 1311, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1311, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1482 Finance on S.B. No. 1530**

The purpose of this bill is to authorize the Board of Land and Natural Resources (BLNR) to extend leases of public lands for hotel or resort use upon approval of a proposed development agreement that the lessee or developer will make substantial improvements to the leased premises.

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

Your Committee has amended this bill by:

- (1) Authorizing extensions of public land leases by BLNR to include commercial and industrial uses;
- (2) Specifying that the substantial improvements made by lessees are based on substantial improvements made to existing improvements, rather than to the demised premises;
- (3) Making corresponding amendments to the definition of "substantial improvements" in accordance with paragraph (2);
- (4) Changing its effective date to July 1, 2030, 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 S.B. No. 1530, 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. 1530, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1483 Finance on S.B. No. 675**

The purpose of this bill is to repeal state authorization for a not-for-profit corporation to function as a secondary market student loan purchaser in Hawaii, in accordance with federal regulations passed in 2010 that terminated new student loan originations by private entities.

USA Funds, SMS Hawaii, and a concerned individual supported this bill. American Savings Bank 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. 675, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1484 Finance on S.B. No. 1382**

The purpose of this bill is to establish the Federal Higher Education Compliance and Educational Personnel Licensure and Certification Task Force to make recommendations regarding:

- (1) The State's compliance with pertinent federal laws to ensure that state post-secondary educational programs qualify for federal student loan programs and other federal funding; and
- (2) Whether the licensing or authorization of educational institutions and their administrators and instructors should be consolidated and tasked to a single state agency.

The University of Hawaii and Department of Education testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1382, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.



**SCRep. 1485 Finance on S.B. No. 1386**

The purpose of this bill is to help increase the efficiency of the University of Hawaii Board of Regents by:

- (1) Requiring the election of up to two vice-chairpersons, in addition to the chairperson, at a meeting preceding July 1; and
- (2) Making various housekeeping amendments to repeal provisions concerning the Board of Regents and Board of Regents Candidate Advisory Council which are no longer necessary.

The University of Hawaii Board of Regents offered comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1386, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1486 Finance on S.B. No. 809**

The purpose of this bill is to provide the University of Hawaii (UH) with the flexibility necessary to obtain additional funding to continue to improve and maintain its facilities by authorizing UH to issue an unspecified amount in revenue bonds.

UH and The Pacific Resource Partnership supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 809, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 809, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1487 Finance on S.B. No. 1331**

The purpose of this bill is to require the University of Hawaii (UH) to report projected cash flow and related estimates for those funds where unencumbered cash balances or cash deficits exceed an unspecified percentage of the previous fiscal year's expenditures.

UH testified in support of this bill.

Your Committee has amended this bill by:

- (1) With respect to the percentage of the previous fiscal year's expenditures, specifying that the percentage is the estimated:
  - (A) Expenses for the current fiscal year;
  - (B) Revenues for the current fiscal year; and
  - (C) Unencumbered cash balance or cash deficit at the end of the current fiscal year;

and
- (2) Changing its effective date to July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1331, 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. 1331, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1488 Finance on S.B. No. 1332**

The purpose of this bill is to continue to afford the University of Hawaii (UH) flexibility with respect to procurement in a manner that ensures accountability by:

- (1) Extending UH's exemption from the Hawaii Public Procurement Code (Procurement Code);
- (2) Imposing increased reporting requirements during the period of exemption;

- (3) Requiring the UH Board of Regents to submit to the Legislature a greater number of reports concerning UH's exemption from the Procurement Code;
- (4) Specifying that with respect to construction project bids with a total estimated contract value of \$1,000,000 or more, UH must require each bidder to submit a list of subcontractors who will perform work with a value exceeding one percent of the total bid amount;
- (5) Authorizing the Administrator of the State Procurement Office to determine corrective actions in the case of a complaint filed with the State Procurement Office regarding procurement at UH; and
- (6) Subjecting UH to the provisions of section 103D-206, Hawaii Revised Statutes, which authorizes the Administrator of the State Procurement Office to, among other things:
  - (A) Perform periodic reviews of UH procurement practices;
  - (B) Assist, advise, and guide UH in procurement matters; and
  - (C) Determine corrective actions.

The State Procurement Office and Subcontractors Association opposed this bill. UH provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1332, 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. 1332, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1489 Finance on S.B. No. 112**

The purpose of this bill is to diversify Hawaii's visitor industry by appropriating funds for the Department of Business, Economic Development, and Tourism (DBEDT) to apply for a spaceport license from the Federal Aviation Administration.

University of Hawaii at Hilo Conference Center, The Aerospace States Association, Hawaii Academy of Science, Hawaii Aerospace Advisory Committee, Enterprise Honolulu, Mars Institute, Real World Design Challenge, and numerous concerned individuals supported this measure. DBEDT submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1490 Finance on S.B. No. 283**

The purpose of this bill is to incorporate the definitions, guiding principles, and goals of the Hawaii 2050 Sustainability Plan into the Hawaii State Planning Act.

The Department of Agriculture; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; The Nature Conservancy of Hawaii; Hawaii Institute for Public Affairs; Hawaii Energy Policy Forum; and a concerned individual supported this bill. The Office of Planning opposed this bill. The University of Hawaii System submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 283, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1491 Finance on S.B. No. 1522**

The purpose of this bill is to regulate large-scale dog breeding operations and facilities to protect the public and prevent the cruel treatment of dogs by establishing licensing requirements that ensure that every dog under the licensee's care is provided with:

- (1) Adequate rest between breeding cycles;
- (2) Necessary veterinary care;

- (3) Regular exercise;
- (4) Sufficient food and clean water;
- (5) Sufficient housing and protection from the elements; and
- (6) Sufficient space to turn and stretch freely, lie down, and fully extend its limbs.

The City and County of Honolulu Department of the Prosecuting Attorney, Hawaiian Humane Society, The Humane Society of the United States, Boxer Club of Hawaii, West Hawaii Humane Society, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs and the Hawaiian Kennel Club commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1522, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1492 Consumer Protection & Commerce on S.B. No. 181**

The purpose of this bill is to encourage the use of solar energy by requiring that new single-family residential construction provide accommodations for the addition of photovoltaic systems.

The Department of Business, Economic Development, and Tourism; the Hawaii Chapter of the Sierra Club; the Blue Planet Foundation; Hawaii Solar Energy Association; and the Hawaii Renewable Energy Alliance supported this measure. The City and County of Honolulu Department of Planning and Permitting opposed this bill.

While your Committee remains committed to increasing the use of solar energy statewide, your Committee realizes that it may be premature to require construction accommodations before thoroughly studying the feasibility of such a requirement. Therefore, your Committee has amended this bill to establish a working group in the Department of Accounting and General Services to study the feasibility of establishing this new requirement for new single-family residential construction.

Your Committee also amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 181, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 181, S.D. 1, H.D. 1.

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

**SCRep. 1493 Consumer Protection & Commerce on S.B. No. 41**

The purpose of this bill is to ensure the continuation of Hawaii's Prepaid Health Care law by deleting statutory provisions that could jeopardize it depending on the finalized draft of the national health care legislation known as the Affordable Care Act.

The Department of Labor and Industrial Relations, the Hawaii Association of Health Plans, the American Cancer Society, the Hawaii Medical Service Association, AARP, and the Sky Ohana supported this measure. The Attorney General provided comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the 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. 41, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 41, S.D. 1, H.D. 1.

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

**SCRep. 1494 Consumer Protection & Commerce on S.B. No. 1086**

The purpose of this bill is to require grocers and wholesale clubs to identify baked goods that have been previously frozen and are being offered for sale in a thawed state by displaying this information at the primary location where the baked goods are sold and in a sufficiently prominent manner.

The International Brotherhood of Electrical Workers, Local Union 1260; the Hawaii State AFL-CIO; Aloha Air Cargo; Hawaii Ports Maritime Council members unions; ILWU; United Public Workers; Foodservice Alliance, LLC; and numerous individuals supported this measure. The Hawaii Alliance for Retired Americans and the Hawaii State Teachers Association supported the intent of this bill. Numerous individuals testified that this bill is not necessary but that if it passes they would support the House Draft 1. Numerous individuals supported expanding consumer information but preferred the Senate Draft 1. The Department of Health, the Hawaii Laborers' Union, the Grocery Manufacturers Association, Safeway, Times Supermarket, Ocean View

Store, United General Bakery, Takata Store, Standard Bakery, Fresh Start Bakeries, Kaimomi Distribution Molokai, Gold Coast Baking Company, and numerous concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Prohibiting the use of the term "now fresh bread" instead of simply "fresh bread" to represent, advertise, label, or market baked goods that have been frozen prior to retail sale to the consumer;
- (2) Establishing a prohibition on the sale of baked bread that has been previously frozen and is being offered for sale in a thawed state without being properly identified as such beginning on September 1, 2011;
- (3) Clarifying that the prohibition contained in paragraph (2) applies to bread that is baked in an oven or other heating device prior to being frozen;
- (4) Establishing a prohibition on the sale of baked goods that have been previously frozen and are being offered for sale in a thawed state without being properly identified as such beginning on September 1, 2013;
- (5) Clarifying that the prohibition contained in paragraph (4) applies to baked goods that are baked in an oven or other heating device prior to being frozen;
- (6) Providing that a grocer or wholesale club will be deemed to be in compliance with the prohibition on the sale of previously frozen baked bread or baked goods if the grocer or wholesale club relies on a listing from a supplier that identifies and names all previously frozen baked bread or baked goods provided by the supplier;
- (7) Adding a definition for "baked goods";
- (8) Changing its effective date to upon its approval; 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 S.B. No. 1086, 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. 1086, S.D. 1, H.D. 2.

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

**SCRep. 1495 Consumer Protection & Commerce/Judiciary on S.B. No. 975**

The purpose of this bill is to require real estate appraisers to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when acting as an arbitrator in an arbitration proceeding to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate.

Sentinel Silent Alarm Co., Sony Hawaii, the Sand Island Business Association, and numerous concerned individuals supported this measure. The Department of Land and Natural Resources, the Department of Commerce and Consumer Affairs, the Hawaii Chapter of the Appraisal Institute, the Land Use Research Foundation of Hawaii, and a concerned individual opposed this bill.

Your Committees have amended this bill by:

- (1) Mandating appraisers participating in an arbitration to certify compliance with USPAP in the arbitration rather than only being required to comply with USPAP;
- (2) Allowing the parties to an arbitration to agree that the USPAP should prevail over the State Arbitration Act;
- (3) Providing that an agreement to arbitrate shall govern in the event of a conflict between USPAP and Chapter 658A, Hawaii Revised Statutes;
- (4) Deleting reference to "The Appraisal Foundation" as the developer of the USPAP; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 975, 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. 975, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito, B. Oshiro and Marumoto.

**SCRep. 1496 Judiciary on S.B. No. 229**

The purpose of this bill is to protect victims of domestic abuse by, among other things:

- (1) Making it unlawful to discriminate against victims of domestic abuse in certain employment-related situations;

- (2) Requiring employers to provide reasonable accommodations in the workplace for employees who are victims of domestic abuse; provided that the reasonable accommodations do not cause undue hardship on the work operations of the employer; and
- (3) Allowing an employer making reasonable accommodations to request certain forms of verification from the employee to verify the employee's status as a victim of domestic abuse.

The Hawaii State Coalition Against Domestic Violence, American Civil Liberties Union of Hawaii, and a concerned individual testified in support of this measure. The Hawaii Civil Rights Commission supported the intent of this bill. The Judiciary provided comments.

Your Committee has amended this measure by:

- (1) Amending these protections to apply to victims of domestic or sexual violence in conformity with current leave provisions in the Hawaii Revised Statutes (HRS);
- (2) Inserting the definition of "domestic or sexual violence victim" or "victim" in the definition section for part I of chapter 378, HRS, regarding discriminatory employment practices;
- (3) Adding that an employer may be guilty of discriminatory employment practices if the employer has actual knowledge of the employee's or prospective employee's status as a domestic or sexual violence victim;
- (4) Defining "undue hardship" concerning what reasonable accommodations employers must make for an employee who is a domestic or sexual violence victim;
- (5) Allowing an employee denied such reasonable accommodations by an employer to file a civil action;
- (6) Changing its effective date to January 1, 2012; 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. 229, 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. 229, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 1497      Judiciary on S.B. No. 892**

The purpose of this measure is to address provisions in the Hawaii Revised Statutes (HRS) regarding service animals that are either obsolete or inconsistent with federal law.

The Hawaii Civil Rights Commission, Disability and Communication Access Board (DCAB), the City and County of Honolulu Department of Human Resources, Hawaii Fi-Do Service Dogs, and several concerned individuals testified in support of this measure.

Your Committee has amended this measure after consultation with DCAB by:

- (1) Applying the definition of "service dog" to all of chapter 347, HRS, Blind and Visually Handicapped and Other Disabled Persons, clarifying that a companion or comfort animal is not considered a "service dog," unless it meets the statutory definition and it is being used by a person with a disability to perform the work or tasks for which it has been trained;
- (2) Conforming section 142-5.5, HRS, regarding quarantine, and sections 711-1109.4 and 711-1109.5, HRS, relating to criminal offenses against service dogs, to conform to the definition of "service dog" established in chapter 347, HRS;
- (3) Revising the term "visually impaired" to read "visually handicapped" to ensure equality for disabled persons to reflect current usage and making conforming amendments to other statutory provisions;
- (4) Reinstating the language of subsections 347-13(c) and (d), HRS, to comply with the requirements of the title of this measure; and
- (5) Making technical, non-substantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892, 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. 892, S.D. 2, H.D. 2.

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

**SCRep. 1498      Judiciary on S.B. No. 1079**

The purpose of this bill is to protect owners of agricultural or range land from the damage and potential liability created by trespassers by:

- (1) Establishing a rebuttable presumption that an owner of agricultural or range land owes no duty of care to trespassers for injury to, property damage, or death of a trespasser that occurs on agricultural or range land or to warn trespassers; provided that the landowner takes certain precautions; and
- (2) Expanding the trespass offense by applying it to cases where agricultural lands, at the time of entry, are fallow or have evidence of livestock-raising and establishing a criminal fine of up to \$10,000 for the trespass offense.

The Land Use Research Foundation of Hawaii, Hawaii Cattlemen's Association, Hawaii Aquaculture and Aquaponics Association, a Maui County Council member, and several concerned individuals testified in support of this measure. The Maui Cattlemen's Association, Hawaii Farm Bureau Federation, Kauai Farm Bureau, and several concerned individuals supported this bill with amendments. The Hawaii Agriculture Research Center, Kukaiaiu Ranch, Parker Ranch, Inc., and Hawaii Beef Producers supported the intent of this measure. Hawaii Association for Justice opposed this bill. The Department of the Attorney General, Department of Agriculture, Sierra Club - Hawaii Chapter, Kealaola LLC, Hawaii Cattlemen's Council, Inc., and a concerned individual commented on this bill.

Your Committee notes that under the State's common law, those entering a land owner's premises were classified as invitees, licensees, and trespassers and a property owner was required to exercise reasonable care according to the person's classification. Then, about 40 years ago, the Hawaii Supreme Court in *Pickard v. City and County of Honolulu* abolished the distinctions between classes of persons, stating that a landowner "has a duty to use reasonable care for the safety of all persons reasonably anticipated to be upon the premises, regardless of the legal status of the individual."

Your Committee also finds this broad duty fitting, because while the common and popular notion of "trespasser" is a person who enters the property of another with some bad or even criminal intent, the law actually defines trespasser more broadly by including individuals who may innocently wander onto private property that is unfenced and not otherwise marked as private property.

Your Committee heard testimony that urged changing more than four decades of settled law by passing an expansive bill that eliminated land owners duty for all agricultural lands of any size. Simultaneously, these testifiers supported the section of the bill which increases current penalties for criminal trespass in the second degree on agricultural land from a petty misdemeanor to a weighty penalty of \$10,000. However, proponents were not able to provide any supporting data about the number of lawsuits and other claims made by trespassers onto range lands or agricultural lands generally.

Your Committee has determined that this bill as amended aptly addresses testifiers concerns and represents a fair, equitable, and reasonable balance between a land owner's duties, rights, and responsibilities, and the rights of a trespasser if injury or death results due to grossly negligent or intentional conduct by the land owner. Allowing a limited suspension of a land owner's current duty of care for range land in excess of four acres, for a five-year test period, is an appropriate modification, especially given the relative isolation and large size of most range lands.

Your Committee notes that problems with agricultural theft should be addressed by the enforcement of, and strengthening where necessary, the criminal laws rather than changing civil law standards in place for over 40 years requiring a "standard duty of reasonable care for the safety of all persons reasonably anticipated to be on the premises regardless of the legal status of the individual."

Accordingly, your Committee has amended this bill by:

- (1) Applying the limited liability provisions to range land owners only, by deleting references to agricultural lands;
- (2) Modifying range land owner's responsibilities requiring that the land owner either has to fence, enclose, or secure the land; or post sufficient signs instead of mandating both;
- (3) Changing the required language on the posted signs from "Private Property" to "No Trespassing", and clarifying when signs are required;
- (4) Adding provisions so that range land owner shall not be exempted from liability if the owner knows of or should have reasonably anticipated the presence of children on the owner's land;
- (5) Deleting unnecessary definitions of "agricultural land" and "invited guest";
- (6) Changing the definition of "range land" from five acres to four acres;
- (7) Adding to the definition of "trespasser";
- (8) Deleting section 2 of this bill regarding criminal trespass provisions;
- (9) Requiring the Hawaii Farm Bureau Federation to report to the Legislature on the number of personal injury claims brought by trespassers against owners of crop lands;
- (10) Changing its effective date to January 1, 2012, to be repealed five years later; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, 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. 1079, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Ito and B. Oshiro.

**SCRep. 1499 Finance on S.B. No. 11**

The purpose of this bill is to plan for a potential separation of the Department of Public Safety (PSD) and the Sheriff Division by establishing a task force to:

- (1) Determine whether PSD is capable of supporting and maintaining the duties and functions of the Sheriff Division;
- (2) Study the feasibility and essentiality of creating a new Department of the Sheriff that would assume the duties and functions of the Sheriff Division of PSD; and
- (3) Create a plan for the establishment of a new department if the task force determines that the new department is feasible and essential.

PSD and several concerned individuals supported this bill. The Hawaii Government Employees Association offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, 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. 11, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1500 Finance on S.B. No. 45**

The purpose of this bill is to provide a more effective administrative and operational management of the Sheriff Division by repealing the civil service exemptions for the first and second deputy sheriffs. This bill is also in line with legislation aimed at reducing the number of civil service exempt employees in public service within the State.

The Department of Public Safety and several concerned individuals supported this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 45, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 45, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1501 Finance on S.B. No. 742**

The purpose of this bill is to allow the State Fire Council to hire a full-time administrator and administrative assistant to help achieve the council's statutory duties and responsibilities, such as amending and adopting the State Fire Code, applying for and administering federal fire-related grants, and implementing and administering a statewide reduced ignition propensity cigarette program, among other duties.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, and Maui Department of Fire and Public Safety supported this measure. The Coalition for a Tobacco-Free Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 742, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 742, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1502 Finance on S.B. No. 44**

The purpose of this bill is to require the Department of Public Safety (PSD) to:

- (1) Develop key performance indicators that reflect progress of the comprehensive offender reentry system and progress toward rehabilitation and reentry;
- (2) Submit a corrections and program report annually that reflects the consolidation of reports required by the laws that are specified in the bill; and
- (3) Require DPS to post reports electronically on its website in a timely manner.

A member of the Maui County Council, Community Alliance on Prisons, Drug Policy Action Group, American Civil Liberties Union of Hawaii, and several individuals testified in support of this bill. PSD commented on this measure.

Your Committee has amended this bill by:

- (1) Placing in Session Laws of Hawaii, instead of the Hawaii Revised Statutes, provisions that require PSD to submit a corrections and program report annually, which reflects the consolidation of reports required by the laws that are specified in the bill;
- (2) Deleting the requirement that PSD submit an annual report to the Legislature, beginning with the 2012 Regular Session, that references key performance indicators that track rehabilitation and reentry efforts for individuals who are prepared to exit the correctional system;
- (3) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 44, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1503 Finance on S.B. No. 48**

The purpose of this bill is to support the overall welfare of Hawaii inmates by:

- (1) Establishing criteria that must be considered in deciding whether to transfer inmates to mainland prisons or between Hawaii correctional facilities;
- (2) Prohibiting the transfer of Hawaii inmates to the mainland with 12 months or less to serve before being eligible to be paroled; and
- (3) Prohibiting inmates with serious medical or mental conditions to be considered for transfer to other Hawaii correctional facilities or out-of-state institutions.

A member of the Maui County Council, the Office of Hawaiian Affairs, the Drug Policy Forum of Hawaii, the Community Alliance on Prisons, the Drug Policy Action Group, American Civil Liberties Union of Hawaii, and a concerned individual supported this bill. The Department of Public Safety opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing, and establishing the criteria for, the transfer of a committed felon to any in-State correctional facility;
- (2) Changing its effective date to July 1, 2030, 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. 48, 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. 48, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1504 Finance on S.B. No. 1358**

The purpose of this bill is to, among other things, have the Department of Public Safety (PSD):

- (1) Formulate a plan to reopen the Kulani Correctional Facility, including a process to return the inmates that were transferred out when the facility closed in 2009;
- (2) Assist the State Department of Defense (DOD) in identifying alternative sites for the Kulani Youth Challenge Academy, which is a successful residential program designed for at-risk/non-traditional students; and



- (3) Upon the reopening of Kulani Correctional Facility, consider reinstating or transferring of former Kulani employees, who were terminated or transferred to another facility due to the closing of Kulani.

PSD; Mayor of the County of Hawaii; a Councilmember of the County of Maui; Community Alliance on Prisons; the Drug Policy Action Group; United Public Workers, AFSCME, Local 646, AFL-CIO; The Drug Policy Forum of Hawaii; Ohana Hoopakele; National Association of Reformed Criminals; and many concerned individuals supported this measure. Several concerned individuals opposed this measure. Several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Requiring PSD to:
- (A) Staff the Kulani Correctional Facility upon its reopening with former Kulani employees in the positions they held prior to the closing of the facility; and
  - (B) Reinstatement or transfer all interested former Kulani and Hawaii Community Correctional Center employees who were bumped, terminated, or accepted employment in a new location regardless of any agreements made between the employee and the employer regarding transferring back to their original workplace;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that all stakeholders, such as the State DOD, PSD, and others, are strongly encouraged to find a site to keep the Kulani Youth Challenge Academy operational.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1358, 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. 1358, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1505 Finance on S.B. No. 1233**

The purpose of this bill is to amend Hawaii's charitable solicitation law by, among other things:

- (1) Establishing the Department of the Attorney General (AG) as the default agent for service of process in investigations and other proceedings, when certain organizations or persons do not have a registered agent with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Allowing the AG to issue a cease and desist order to any charitable organization found to be soliciting contributions in violation of the law;
- (3) Clarifying requirements for filing annual financial reports and fiscal records and fees of charitable organizations; and
- (4) Exempting certain charitable educational institutions, including educational institution foundations or alumni associations, from the registration and financial disclosure requirements.

The AG, Hawaii Association of Independent Schools, The Nature Conservancy of Hawaii, Nonprofit Federation of the Direct Marketing Association, Council for Advancement and Support of Education, and several concerned individuals testified in support of this bill. The Hawaii Alliance of Nonprofit Organizations and a concerned individual offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1233, 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. 1233, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1506 Finance on S.B. No. 1278**

The purpose of this bill is to protect consumers, particularly seniors, from abusive financial service practices by adopting model regulations of the National Association of Insurance Commissioners in conformity with senior investor protection in the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The Department of Commerce and Consumer Affairs and National Association of Insurance and Financial Advisors Hawaii testified in support of this bill. The American Council of Life Insurers offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1278, 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. 1278, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1507 Finance on S.B. No. 1519**

The purpose of this bill is to update the Secure and Fair Enforcement for Mortgage Licensing Act with regard to mortgage loan originators.

The Department of Commerce and Consumer Affairs, and Hawaii Financial Services Association testified in support of this measure. The Hawaii Association of Mortgage Brokers provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2030, 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. 1519, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1508 Finance on S.B. No. 99**

The purpose of this bill is to ensure that the Public Utilities Commission (PUC) represents the interests of the entire State by improving the PUC's structure and operations. Among other things, this bill:

- (1) Expands PUC from three to five members and requires PUC to elect its chairperson from one of its members;
- (2) Establishes specific requirements relating to the professional expertise and geographic representation of PUC members;
- (3) Requires PUC to establish two panels, each with different subject matter jurisdiction, and stipulates that an action by a panel shall constitute an action of PUC;
- (4) Requires PUC to employ an executive officer, in lieu of the chief administrator, with the authority to appoint, employ, and define the duties of PUC personnel, subject to the supervision of PUC;
- (5) Establishes specific notice requirements pertaining to applications for certificates of public convenience and necessity for water carriers (certificates);
- (6) Prohibits PUC from making a finding of public convenience and necessity or authorize the operation of a water carrier unless certain specific findings supported by evidence are placed on record; and
- (7) Prohibits PUC from issuing any temporary or interim certificate that does not conform to the Hawaii Water Carrier Act except in response to an emergency.

The Chamber of Commerce of Hawaii, Hawaii Farm Bureau Federation, Kona-Kohala Chamber of Commerce, Hawaii Food Industry Association, Maui County Farm Bureau, and Young Brothers, Limited, supported this bill. A concerned individual opposed this measure. PUC, the Consumer Advocate, and Blue Planet Foundation submitted comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 99, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1509 Finance on S.B. No. 583**

The purpose of this bill is to allow the Director of Commerce and Consumer Affairs to designate an access organization to oversee public, educational, or governmental-access channels on cable television.

The Department of Commerce and Consumer Affairs, a member of the Maui County Council, Community Alliance on Prisons, Americans for Democratic Action/Hawaii, Olelo Community Media, Akaku: Maui Community Television, Earth Foundation, Kihei Canoe Club, Maui Democratic Party, and numerous concerned individuals supported this bill. A concerned individual opposed this measure. The State Procurement Office and several concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Providing that the designation of an access organization shall be exempt from the Hawaii Public Procurement Code until July 1, 2015;
- (2) Requiring the Auditor to contract for a performance review or audit of Olelo Community Television, and appropriating funds out of the Compliance Resolution Fund for this purpose;
- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 583, 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. 583, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1510 Finance on S.B. No. 651**

The purpose of this bill is to implement a comprehensive strategy to reform the foreclosure laws in Hawaii. Among other things, this bill:

- (1) Voids any actions taken in connection with a mortgage foreclosure by an unlicensed nonexempt person who engages in the business of mortgage servicing;
- (2) Details provisions for a mandatory mortgage foreclosure dispute resolution process;
- (3) Broadens the duties of the Center for Alternative Dispute Resolution (Center) and allows the Center to charge a fee for providing dispute resolution services;
- (4) Establishes the Mandatory Mortgage Foreclosure Dispute Resolution Special Fund (Fund);
- (5) Adopts the Mortgage Foreclosure Task Force's recommendation for a process allowing owner-occupants to convert their non-judicial foreclosure to one with judicial oversight and a 45 day phase-in period for converting those non-judicial foreclosures currently in progress;
- (6) Clearly describes the prohibited types of conduct in the foreclosure process and their consequences;
- (7) Replaces the existing non-judicial foreclosure process with a new non-judicial process; and
- (8) Establishes strict regulations of the mortgage servicer industry.

The Roman Catholic Church in the State of Hawaii, Hawaiian Community Assets, National Federation of Filipino American Associations, Faith Action for Community Equity, and numerous concerned individuals testified in support of this bill. The Hawaii Credit Union League, Hawaii Bankers Association, Hawaii Financial Services Association, Community Associations Institute Hawaii Chapter, Hawaii First Inc., Certified Hawaii, and several concerned individuals testified in opposition to this measure. The Judiciary, Department of Commerce and Consumer Affairs (DCCA), Commissioner of Financial Institutions, Hawaii Association of REALTORS, USAA, and Legal Aid Society of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Revising provisions for the mandatory mortgage foreclosure dispute resolution process by, among other things:
  - (A) Establishing the Mortgage Foreclosure Dispute Resolution Program (Program) within DCCA, and requiring DCCA to administer the Program rather than the Center;
  - (B) Requiring the Center to provide assistance to DCCA regarding contract procurement, performance oversight and compliance with Program requirements, and management services to oversee contracts, including monthly status reports and evaluations;
  - (C) Allowing DCCA to contract with government agencies and private organizations to conduct the functions of the Program without regard to the Hawaii Public Procurement Code;

- (D) Requiring mortgagees to offer dispute resolution to owner-occupants through the Program before conducting a public sale on a property; notify mortgagors that dispute resolution is available; and notify mortgagees that the mortgagee is required to participate in dispute resolution if an owner-occupant so chooses;
  - (E) Prohibiting mortgagees from foreclosing on a property until certain specific requirements are met;
  - (F) Requiring mortgagees to file non-judicial foreclosure notices with DCCA and establishing a filing fee that will be deposited into the Fund;
  - (G) Requiring DCCA to notify mortgagors within 14 days after receipt of the non-judicial foreclosure notice about an owner-occupant's option to engage in dispute resolution, information about the program, an election form and instructions and contact information for DCCA;
  - (H) Providing that an owner-occupant has 30 days after receiving notice to elect dispute resolution and pay a Program fee;
  - (I) Requiring DCCA to open a dispute resolution case and provide notification within 14 days to the parties of the date, time, and location of the first dispute resolution session after receiving the owner-occupant's election form, and that the notification include information about the dispute resolution process (rules, requirements, and consequences and penalties for noncompliance);
  - (J) Requiring the dispute resolution session to be scheduled between 30 and 60 days from the notification date – unless the parties and a dispute resolution specialist agree to an alternative date and providing that the first dispute resolution session will last no more than three hours but may be extended at the discretion of the dispute resolution specialist;
  - (K) Stipulating that the mortgagee has 14 days to pay a Program fee to DCCA after the mailing of the notice from DCCA that the mortgagor elected dispute resolution;
  - (L) Establishing various requirements for the parties involved in a dispute resolution process including allowing the parties to be represented by another person, including counsel, so long as that person has the authority to negotiate a loan modification; requiring owner-occupants to consult with a Department of Housing and Urban Development (HUD) certified housing counselor thirty days prior to attending the first dispute resolution process; allowing owner-occupants to be assisted by a HUD certified housing counselor during dispute resolutions; compelling the parties to comply with the dispute resolutions specialist's information requests; and allowing the parties to participate by telephone, videoconference, or other contemporaneous medium if a request to do so is approved;
  - (M) Requiring the dispute resolution specialist to file a report with DCCA within 14 days after the process is complete;
  - (N) Stipulating the circumstances under which a mortgagor or mortgagee fails to comply with the Program and sanctions for noncompliance;
  - (O) Stipulating that DCCA's written notification will operate as a stay of the non-judicial foreclosure process and may be filed with the Land Court or Bureau of Conveyances to be released only under certain conditions in compliance with Program requirements;
  - (P) Establishing confidentiality requirements;
  - (Q) Requiring DCCA to determine the qualifications for a dispute resolution specialist;
  - (R) Providing that a dispute resolution specialist will not be liable for their acts or omissions during dispute resolution and are not necessary parties nor shall they be called as a witness or required to produce documents in any other proceeding related to the Program; and
  - (S) Clarifying that the Fund is funded by fees collected by the parties who participate in the program, and by filing fees from affidavits and deeds filed after a non-judicial foreclosure sale;
- (2) Exempting the Fund from the provisions of the Compliance Resolution Fund;
  - (3) Appropriating monies from the Compliance Resolution Fund to the Fund as start-up monies with the Fund reimbursing the Compliance Resolution Fund;
  - (4) Stipulating that the Fund shall be established upon approval of this measure;
  - (5) Providing that, when the Program is repealed, all monies deposited in the Fund shall be transferred to the General Fund and Compliance Resolution Fund in proportion to the appropriations made from the these funds as appropriate; and
  - (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that S.B. No. 652 also addresses the issue of mortgage foreclosures and as these measures move through the legislative process, the effective dates included in both this measure and S.B. No. 652 should be synchronized to produce the most effective legislation possible.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 651, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 651, S.D. 2, H.D. 2.

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

**SCRep. 1511 Finance on S.B. No. 652**

The purpose of this bill is to address concerns with the current foreclosure process in Hawaii by implementing the recommendations of the Mortgage Foreclosure Task Force in its preliminary report submitted to the Legislature for the Regular Session of 2011. More specifically, this bill:

- (1) Requires that the notice of intent to foreclose by power of sale be served not less than 21 days before the date of sale and must be served on all persons entitled to notice in the same manner as required for service of a civil complaint;
- (2) Prohibits pursuit of a deficiency judgment by a mortgagee against certain owner-occupants of a residential property that was foreclosed;
- (3) Allows an owner-occupant of a residential property subject to a nonjudicial foreclosure to convert the action into a judicial foreclosure;
- (4) Specifies that public sales of real property pursuant to a nonjudicial power of sale foreclosure must be held at the state building in the county seat of the county in which the property is located; and
- (5) Provides that a mortgagor's interest is extinguished upon recordation of the affidavit in the Bureau of Conveyances or in the Land Court within 30 days of the sale of the property at public auction.

The Department of Commerce and Consumer Affairs, the Legal Aid Society of Hawaii, Mortgage Bankers Association of Hawaii, Hawaii Financial Services Association, and Certified Hawaii supported this bill. The Judiciary, Hawaii Association of Realtors, Hawaii Bankers Association, Hawaii Credit Union League, and CAI offered comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 652, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 652, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1512 Finance on S.B. No. 1277**

The purpose of this bill is to enhance the regulation of legal service plans by:

- (1) Making legal service plans and their owners, operators, officers, employees, and representatives subject to investigation or examination by the Insurance Commissioner;
- (2) Requiring legal service plans to obtain a certificate of authority from the Insurance Commissioner prior to conducting business in the State;
- (3) Specifying that the bond required to be obtained by a legal service plan administrator shall run to the State for the benefit of any claimants against the legal service plan to secure faithful performance of the plan's obligations; and
- (4) Establishing an unspecified fee for a legal service plan certificate of authority and an unspecified annual fee for service.

The Department of Commerce and Consumer Affairs supported this bill. The American Council of Life Insurers opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1277, 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. 1277, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1513 Finance on S.B. No. 150**

The purpose of this bill is to ensure the design and construction of public buildings, facilities, and sites are in compliance with the Americans with Disabilities Act (ADA) and Federal Fair Housing Act (FFHA).

Specifically, this bill:

- (1) Enables the Disability and Communication Access Board (DCAB) to charge a fee to defray expenses of reviewing construction plans of buildings and facilities for compliance with the ADA and FFHA;
- (2) Clarifies that the fees collected by DCAB is pursuant to section 103-50(e), Hawaii Revised Statutes, that requires DCAB to charge a fee for services rendered;
- (3) Establishes the temporary fees to be charged for the review of buildings and facilities by DCAB which fees will be superseded by the fees established by DCAB through its rule-making process;
- (4) Establishes an accessible building and design special account, within the DCAB special fund, for fees to be deposited and expended; and
- (5) Requires DCAB to report to the Legislature annually regarding revenues collected, including a summary of the plans reviewed and the fees collected from each state or county department or agency.

The Department of Accounting and General Services, DCAB, Department of Education, and several concerned individuals supported this bill. The City and County Department of Design and Construction offered comments.

Your Committee has amended this bill by:

- (1) Finalizing fee amounts to be charged in the graduated estimated construction cost fee schedule for the review of buildings and facilities by DCAB;
- (2) Changing its effective date to July 1, 2011; 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. 150, 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. 150, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1514 Finance on S.B. No. 240**

The purpose of this bill is to improve the efficiency and effectiveness of health care delivery by:

- (1) Extending the collection of the physician workforce assessment fee and the life of the John A. Burns School of Medicine (JABSOM) Special Fund until July 1, 2015;
- (2) Directing that an unspecified percentage of the physician workforce assessment fee be used to address communication and implementation of federal health care reform, support and develop the medical home model, and support increases in physician reimbursements; and
- (3) Directing JABSOM to submit an annual, rather than biannual, report with an assessment of the physician workforce to the Legislature, State Health Planning and Development Agency, and Hawaii Medical Board.

The Hawaii Medical Association, Hawaii State Rural Health Association, and several concerned individuals supported this measure. The Hawaii Medical Board opposed this measure. The John A. Burns School of Medicine provided comments.

Your Committee has amended this bill by:

- (1) Specifying that 100 percent of the physician workforce assessment fee be used to address communication and implementation of federal health care reform, support and develop the medical home model, and support increases in physician reimbursements;
- (2) Changing its effective date to July 1, 2011; 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. 240, 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. 240, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1515 Finance on S.B. No. 285**

The purpose of this bill is to allow QUEST and Medicaid members to access telehealth services by requiring the Department of Human Services (DHS) to allow the use of a mobile health van equipped with telehealth services.

Kona Community Hospital and the Hawaii Association of Health Plans supported this bill. DHS and the Hawaii Medical Service Association offered comments.

Your Committee has amended this bill by:

- (1) Requiring DHS to submit a report to the Legislature prior to the convening of the Regular Sessions of 2012 and 2013 on the implementation of the use of mobile health van to provide telehealth services;
- (2) Specifying what information the report by DHS to the Legislature should include;
- (3) Deleting the savings clause; 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. 285, 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. 285, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1516 Finance on S.B. No. 893**

The purpose of this bill is to provide increased access to time-sensitive information to Hawaii residents with disabilities that prevent direct access of conventional print media by requiring the Disability and Communication Access Board (DCAB) to investigate the availability of quality telephone-based audible information access services and award a contract to one or more providers. This measure also appropriates \$80,000 from the Wireless Enhanced 911 Fund to establish and maintain this service.

Several concerned individuals supported this bill. The Department of Human Services and DCAB provided comments.

Your Committee has amended this bill by:

- (1) Appropriating funds from the general fund rather than the Wireless Enhanced 911 Fund;
- (2) Making unspecified the appropriation amounts; 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. 893, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 893, S.D. 3, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1517 Finance on S.B. No. 1300**

The purpose of this bill is to change the composition of the Hawaii Health Systems Corporation (HHSC) Board of Directors (Board) by:

- (1) Making the Director of Health a voting member of the HHSC Board;
- (2) Adding a member to the HHSC Board and having the member be appointed by the governor and serve as an at-large voting member for a two-year term; and
- (3) Clarifying that appointed HHSC Board members who reside in the County of Maui, eastern section of the County of Hawaii, western section of the County of Hawaii, and on the islands of Kauai and Oahu, shall each serve for a four-year term.

The HHSC Corporate Board of Directors, HHSC Kauai Region, HHSC Oahu Region, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300, 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. 1300, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1518 Finance on S.B. No. 1458**

The purpose of this bill is to establish a regulated distribution program for medical marijuana by:

- (1) Establishing a five-year medical marijuana distribution pilot program in one county within the Department of Public Safety (PSD) to distribute medical marijuana to qualified patients;
- (2) Requiring qualifying patients to access medical marijuana through the compassion center, which is a medical marijuana compassion center licensee, other than the qualifying patient and the qualifying patients' physician, who has agreed to be the primary caregiver of the qualifying patient;
- (3) Authorizing PSD to assess and collect an unspecified annual fee for the issuance of a medical marijuana compassion center license and a fee for the annual renewal of a license in the same amount;
- (4) Authorizing PSD to conduct criminal history record checks on applicants for compassion care center licenses;
- (5) Authorizing PSD to convene a task force to study and advise in the drafting of PSD's administrative rules for the pilot program; and
- (6) Requiring PSD to submit to the Legislature a status report on the pilot project with findings and recommendations, including proposed legislation, no later than 20 days prior to the convening of the 2013, 2014, 2015, and 2016 Regular Sessions.

The National Association of Reformed Criminals, Pacific Wellness Coalition, and many concerned individuals supported this bill. The City and County Department of the Prosecuting Attorney, Honolulu Police Department, Hawaii Police Department, Maui Police Department, Coalition for a Drug-Free Hawaii, and many concerned individuals opposed this bill. The Big Island Chapter of Americans for Safe Access, The Religion of Jesus Church, Friends 4 Justice, Oahu ASA, Law Enforcement Against Prohibition, the Drug Policy Action Group, American Civil Liberties Union of Hawaii, the Drug Policy Forum of Hawaii, PSD, Kahuna Compassion Consulting LLC, and many concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Establishing an administrative fee of \$10,000 for a temporary registration certification that allows out-of-state visitors who are qualifying patients or primary caregivers in their home state to obtain medical marijuana;
- (2) Changing the effective date to July 1, 2030; 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. 1458, 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. 1458, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Coffman.  
(Representatives Tokioka, Marumoto and Ward voted no.)

**SCRep. 1519 Finance on S.B. No. 289**

The purpose of this bill is to continue to support early child development and parent education in a fiscally responsible manner by:

- (1) Requiring the Families for R.E.A.L. Program to develop a plan:
  - (A) To cover an unspecified percent of its program costs beginning July 1, 2013; and
  - (B) That includes a strategy to transition the Families for R.E.A.L. Program into assuming a larger statewide role;
- (2) Requiring any appropriation for the Families for R.E.A.L. Program to be matched with private funds at an unspecified ratio; and
- (3) Making an appropriation in an unspecified amount for the Families for R.E.A.L. Program.

The Early Learning Council and many concerned individuals supported this bill. The Department of Education and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 289, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 289, S.D. 2, H.D. 1.

Signed by all members of the Committee.



**SCRep. 1520 Finance on S.B. No. 1383**

The purpose of this bill is to help ensure the continued repair and maintenance of public school facilities by directing moneys generated by the \$2 income tax check-off into the Hawaii 3R's School Repair and Maintenance Fund and appropriating an unspecified amount of general funds to Hawaii 3R's.

The Department of Education and Hawaii 3R's supported this bill.

Your Committee has amended this bill by:

- (1) Deleting provisions that direct moneys generated by the \$2 income tax check-off into the Hawaii 3R's School Repair and Maintenance Fund;
- (2) Deleting appropriations within the measure;
- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1383, 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. 1383, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1521 Finance on S.B. No. 1385**

The purpose of this bill is to provide additional flexibility and the potential for additional revenue with respect to public school lands by:

- (1) Permitting, as a three-year pilot project, the Department of Education (DOE), with the approval of the Board of Education, to lease certain public school lands for the development of affordable workforce housing rental units under specified conditions;
- (2) Establishing a temporary public school construction tax credit not exceeding ten percent of construction costs incurred under leases described in paragraph (1) above;
- (3) Establishing a School Facilities Special Fund to accept monies from leases described in paragraph (1) above;
- (4) Establishing a School Facilities Advisory Board to advise DOE on, among other things, how best to optimize public school lands; and
- (5) Requiring DOE to further develop a systematic process and mechanism to optimize the use of public school lands.

Imua Alliance and several concerned individuals supported this bill. DOE, the Department of Taxation, Department of Budget and Finance, Department of Land and Natural Resources, Office of Hawaiian Affairs, Mayor of the City and County of Honolulu, Hawaii State Teachers Association, Hawaii Government Employees Association, The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, Good Beginnings Alliance, and Building Industry Association-Hawaii provided comments.

Your Committee notes that it may be advantageous to consider expanding provisions in this measure to allow public school land leases to include uses such as commercial and agricultural uses that go beyond workforce housing rental units.

Your Committee has amended this bill by:

- (1) Removing provisions that establish a temporary public school construction tax credit;
- (2) Changing its effective date to July 1, 2030, 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. 1385, 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. 1385, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1522 Finance on S.B. No. 1503**

The purpose of this bill is to help ensure that students eligible for special education and related services receive a quality education by requiring:

- (1) Certain private special education schools and programs that provide services to students with disabilities who receive state funding to comply with federal and state laws, rules, and regulations; and

- (2) Any nonpublic special education school or program that is not accredited by specified accrediting agencies to apply for accreditation within 90 days from the date of accepting a student with disabilities who was placed there under certain specified conditions.

The State Council on Developmental Disabilities, Special Education Advisory Council, and Hawaii Association of Independent Schools testified in support of this bill. The Hawaii Disability Rights Center, Autism Society of Hawaii, and several concerned individuals testified in opposition to this measure. The Community Children's Council of Hawaii and Good Beginnings Alliance offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1503, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1503, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1523 Finance on S.B. No. 298**

The purpose of this bill is to offer entrepreneurs and investors the option to start and invest in businesses that operate in a socially and environmentally sustainable manner by authorizing a designation and code of conduct specific to a sustainable business corporation (SBC) where oversight is provided through specified means.

Several concerned individuals supported this bill. Imua Alliance provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that should a SBC specify "enhancing environmental protection" as a public benefit, the SBC status will be permanent and the specific public benefit will not be deleted from the articles of the corporation unless the annual statement concludes, rather than just reflects, and the SBC fails to pursue, rather than fails to meet, a specified "enhancing environmental protection" public benefit; and
- (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. 298, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 298, S.D. 3, H.D. 3.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 1524 Finance on S.B. No. 1161**

The purpose of this bill is to expedite the deployment of high-speed broadband technology in Hawaii by exempting:

- (1) Certain broadband infrastructure improvements from state and county permitting requirements; provided that the improvements are within existing public rights-of-way, public utility easements, or use existing telecommunications infrastructure, and do not make significant changes to those existing sites; and
- (2) A person or entity from any requirement to upgrade or replace existing utility poles when using that pole to install new or improved existing telecommunications cables, under certain conditions.

Hawaiian Telecom supported this bill. The City and County of Honolulu Department of Planning and Permitting opposed this bill. The Department of Land and Natural Resources; Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; Office of Environmental Quality Control; Hawaiian Electric Company; Hawaii Electric Light Company; and Maui Electric Company offered comments.

Your Committee has amended this bill by:

- (1) Adding safety and engineering requirements when installing new or improved existing telecommunications cables; and
- (2) Adding a provision that public utilities and broadband providers shall be allowed to recover prudently incurred costs related to the planning, engineering, construction, installation, or replacement of utility poles to accomplish the deployment of high-speed broadband technology.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, 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. 1161, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1525 Finance on S.B. No. 1355**

The purpose of this bill is to:

- (1) Establish for general excise tax (GET) purposes, a nexus between businesses in the State and out-of-state businesses that:
  - (A) Engage in or solicit business with persons within the State; and
  - (B) Earn income, gross proceeds, gross rental, or gross rental proceeds attributable to sources in the State;
- (2) Require out-of-state businesses that conduct business in the State, but do not collect the GET, to file an annual statement with the Department of Taxation (DOTAX) regarding sales of tangible personal property to Hawaii residents;
- (3) Amend the definition "engaging" in the GET law, to include the sale of tangible personal property by a person soliciting business through an independent contractor or other representative, if the person enters into an agreement with a resident of the State under which the resident, for a commission or other consideration, directly or indirectly refers potential customers; and
- (4) Repeal the income tax exemption for income derived from stock options or stocks from qualified high technology businesses.

DOTAX supported this bill. Direct Marketing Association, Synertech Media LLC, and a concerned individual opposed this measure. Internet Alliance, Policy Board for Elder Affairs, Tax Foundation of Hawaii, Retail Merchants of Hawaii, and several concerned individuals commented on this bill.

Your Committee realizes that the reports required by this bill include personal information. The intent of collecting this information is to ensure that DOTAX can collect use taxes from those out-of-state businesses. It is not the intent of your Committee that personal information in these reports be released for any use other than for tax collection purposes. With this in mind, DOTAX is requested to establish additional safeguards to ensure that personal information on these reports is used only for tax purposes.

Your Committee has amended this bill by:

- (1) Retaining the income tax exemption for income derived from stock options or stocks from qualified high technology businesses;
- (2) With respect to out-of-state businesses that conduct business in the State, but do not collect the GET, specifying that the filing of annual statements with DOTAX include the addresses of residents to whom tangible personal property was sold;
- (3) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1355, 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. 1355, S.D. 1, H.D. 2.

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

**SCRep. 1526 Finance on S.B. No. 1496**

The purpose of this bill is to support the aerospace industry in Hawaii by including the development and operation of space exploration and lunar research related activities within the definition of "eligible business activity" under the State's Enterprise Zone program.

The Department of Business, Economic Development, and Tourism, University of Hawaii at Hilo, Hawaii Aerospace Advisory Committee, Enterprise Honolulu, Hawaii Academy of Science, Hawaii State Aerospace Advisory Committee, Real World Design Challenge, Mars Institute, the Aerospace States Association, and several concerned individuals supported this bill. 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 S.B. No. 1496, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1527 Finance on S.B. No. 165**

The purpose of this bill is to promote the continued development of aerospace-related industries in the State by:

- (1) Extending the sunset date of the Hawaii Starlight Reserve Advisory Committee (Starlight Committee) from June 30, 2011, to June 30, 2013, to promote the conservation of Hawaii's natural night-sky resource; and
- (2) Appropriating funds for the Office of Aerospace Development to carry out its duties to identify and promote opportunities for expanding and diversifying aerospace-related industries in the State.

The Department of Business, Economic Development, and Tourism, Enterprise Honolulu, Mars Institute, Aerospace States Association, Hawaii State Aerospace Advisory Committee, and many concerned individuals supported this bill. The University of Hawaii at Hilo and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 165, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1528 Finance on S.B. No. 752**

The purpose of this bill is to:

- (1) Expand the use of the Hawaii Community-based Economic Development (CBED) Revolving Fund to include the State's Enterprise Zone (EZ) funding while limiting use of the funds to:
  - (A) Operations of the CBED Technical and Financial Assistance program and the State's EZ program and certain personnel costs for both programs;
  - (B) Operating costs of the CBED Advisory Council; and
  - (C) Grants and loans under the Community-based Development Chapter;
- (2) Exempt grants provided under the CBED program from the Hawaii Public Procurement Code;
- (3) Clarify that moneys in the Hydrogen Investment Capital Special Fund shall be expended by the Hawaii Strategic Development Corporation;
- (4) Establish for four years only the Department of Business, Economic Development, and Tourism (DBEDT) Operation Special Fund (Fund) to support DBEDT operations;
- (5) Impose a surcharge of \$20 to be added to various fees assessed by the Department of Commerce and Consumer Affairs (DCCA), Public Utilities Commission, Department of Labor and Industrial Relations (DLIR), and Department of Taxation, and requires that surcharge revenues be deposited into the Fund; and
- (6) Depositing into the General Fund all interest on moneys in the Fund and all funds remaining in the fund on June 30, 2015.

The National Association of Insurance and Financial Advisors, USAA, and a concerned individual testified in opposition to this bill. DLIR; Department of Budget and Finance; DCCA; State Procurement Office; DBEDT; Hawaii Strategic Development Corporation; Tax Foundation of Hawaii; The Chamber of Commerce of Hawaii; Hawaii Association of REALTORS; Hawaii Insurers Council; Property Casualty Insurers Association of America; State Farm Insurance Companies; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Ltd. 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. 752, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1529 Finance on S.B. No. 1213**

The purpose of this bill is to assist businesses, particularly smaller businesses, in the permitting and approval process by requiring the Comptroller with the assistance of the Director of the Department of Planning and Permitting to establish a temporary task force that, among other duties, will:

- (1) Review state and county administrative rules, particularly those rules relating to county building permits, with a goal to streamline the approval process for businesses by amending or repealing rules that may impose burdensome or unnecessary costs;
- (2) Recommend to the Governor, the Mayor of each county, and the heads of state and county agencies any administrative rules that need to be amended or repealed to streamline government for efficiency and responsiveness as it relates to the planning and permitting process; and
- (3) Report to the Legislature its findings and recommendations no later than 20 days prior to the convening of the Regular Session of 2012.

The City and County of Honolulu Department of Planning and Permitting supported this bill. The Department of Accounting and General Services offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1213, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1530 Finance on S.B. No. 1292**

The purpose of this bill is to ensure the uninterrupted provision of medically necessary services to low-income adults and children by making an emergency appropriation to cover the budget shortfall for health care payments and to prevent the loss of federal funds. Specifically, this bill appropriates for fiscal year 2010-2011:

- (1) \$57,500,000 in general revenues; and
- (2) \$96,400,000 in federal Medicaid funds as a federal match.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 101 to the Legislature, requested immediate consideration and passage of this bill by the Legislature to address the budget shortfall.

The Department of Human Services, Hawaii Medical Association, Healthcare Association of Hawaii, AlohaCare, Kaiser Permanente Hawaii, Ohana Health Plan, Hawaii Medical Service Association, Hawaii Substance Abuse Coalition, PHOCUSED, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1292, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1531 Finance on S.B. No. 787**

The purpose of this bill is to provide more adequate reimbursement to certain medical facilities that treat Medicaid patients by:

- (1) Requiring Medicaid reimbursements to hospitals for patients who occupy acute care licensed beds and are on a waitlist for a long-term care facility, to be at least equal to the rate paid for acute care services;
- (2) Requiring Medicaid reimbursements to facilities with long-term care beds for patients with medically complex conditions who previously received acute care services in an acute care hospital to be at least equal to the rate paid for subacute care services;
- (3) Appropriating an unspecified amount in general funds to cover increased Medicaid reimbursements; and
- (4) Requiring the elimination of barriers or mechanisms that prevent or restrict the flexible use of Medicaid funds when patients are transitioning between different types of medical and community care facilities.

The Hawaii Disability Rights Center, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, and The Queen's Medical Center supported this bill. The Department of Human Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 787, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1532 Finance on S.B. No. 1291**

The purpose of this bill is to continue to protect Hawaii's children by clarifying language in the Child Protective Act of 2010 (Act), Chapter 587A, Hawaii Revised Statutes, to ensure consistency in practice and compliance with applicable federal requirements, under federal Title IV-E. The bill also clears up an unintended ambiguity regarding the effect of the Act on existing cases, that is, cases that were filed and adjudicated under last year's law.

The Department of Human Services, the Department of the Attorney General, and the Judiciary 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. 1291, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1533 Finance on S.B. No. 1293**

The purpose of this bill is to make the following emergency appropriations from the general fund:

- (1) \$11,523,511 for fiscal year (FY) 2010-2011 to the Department of Human Services (DHS) for cash support for families – self-sufficiency (HMS 211) to address the funding shortfall for cash support payments for families with dependent children;
- (2) \$45,184,770 for FY 2010-2011 to DHS for general support for self-sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts; and

- (3) \$520,815 for FY 2010-2011 to DHS for general assistance payments (HMS 204) to address the funding shortfall for general assistance.

DHS, the Hawaii Substance Abuse Coalition, Child and Family Service, Protecting Hawaii's Ohana, Children, Underserved, Elderly, and Disabled, and a concerned individual supported this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message No. 185 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

Your Committee has amended this bill by:

- (1) Stipulating that, of the \$45,184,770 for FY 2010-2011 appropriated to DHS for general support for self-sufficiency services (HMS 903) to address the funding shortfall for work program services and maintenance of effort contracts under this measure, \$40,000,000 shall come from the Emergency Budget and Reserve Fund and \$5,184,770 shall come from 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1293, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1293, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1534 Finance on S.B. No. 921**

The purpose of this bill is to provide for the safety of the State's runaway or transient youth by, among other things:

- (1) Authorizing certain child care providers to provide emergency shelter and related services to a consenting minor under certain conditions, including the minor's agreement to adhere to rules and services, and such shelter is necessary for the minor's safety and well-being;
- (2) Allowing a minor to consent to emergency shelter and related services if a provider has offered the shelter and services without charge, and the minor understands and meets certain conditions and an attempt has been made to contact the minor's parents;
- (3) Shielding the providers from criminal or civil liability for emergency shelter provided or related services rendered where certain precautions were taken;
- (4) Relieving the parent, legal guardian, or legal custodian of the minor from legal and financial obligation under certain circumstances; and
- (5) Establishing certain documentation and reporting requirements for a provider.

Hawaii Youth Services Network, American Civil Liberties Union of Hawaii, and Planned Parenthood of Hawaii testified in support of this bill. A concerned individual testified in opposition to this measure. The Department of Human Services and Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the emergency shelter and related services shall be provided at no cost;
- (2) Specifying that consent given by a minor for the duration of the period of shelter for medical services shall be valid and binding as if the minor had reached the age of majority;
- (3) Deleting language stipulating that a minor shall be deemed to have and shall have the same legal capacity to act, and shall have the same legal obligations with regard to the giving of informed consent, as a person of full legal age and capacity;
- (4) Deleting language relieving the parent, legal guardian, or legal custodian of the minor from legal and financial obligation under certain circumstances;
- (5) Allowing for an extension of the 30-day limitation on duration of stay incorporated into the definition of "emergency shelter and related services" for emergency purposes;
- (6) Changing its effective date to July 1, 2011; 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. 921, 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. 921, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1535 Finance on S.B. No. 1360**

The purpose of this bill is to:

- (1) Require a commensurate amount of reimbursement for reason of parity for Medicaid beneficiaries categorized in the same or equivalent level of care and living in a community-based facility, whether a licensed community care foster family home or licensed adult residential care home;
- (2) Amend the definition of "community care foster family home" to include the requirements that:
  - (A) Community care foster family homes be certified and in operation for a year prior to being certified for a third client; and
  - (B) The primary caregiver be a certified nurse aide who has completed a minimum of 24 hours of continuing education every two years and the substitute caregiver be a nurse aide who has completed a minimum of 16 hours of continuing education every two years for community care foster family homes certified for a maximum of three clients;

and
- (3) Require community care foster family homes to ensure that the following are current and made available for inspection by the Department of Human Services (DHS) and clients:
  - (A) A certificate of approval for the community care foster family home;
  - (B) Licenses for case managers and a list of case managers' names;
  - (C) Certifications for certified nurse aides; and
  - (D) Certifications for nurse aides if applicable.

The Primary Care Providers; Adult Foster Homecare Association of Hawaii; Alliance of Residential Care Administrators; National Federation of Filipino American Associations Region XII; Filipino Chamber of Commerce of Hawaii; Lou's Quality Home Health Care Services, LLC; and numerous concerned individuals testified in support of this bill. DHS, the City and County of Honolulu Department of Community Services, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that require a commensurate amount of reimbursement for reason of parity for Medicaid beneficiaries categorized in the same or equivalent level of care and living in a community-based facility, whether a licensed community care foster family home or licensed adult residential care home; and
- (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. 1360, 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. 1360, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 1536 Finance on S.B. No. 367**

The purpose of this bill is to establish a regulatory structure for the installation and implementation of an interisland high voltage electric transmission cable system to transmit clean, renewable energy in the State.

The Department of Business, Economic Development, and Tourism, Consumer Advocate, Hawaiian Electric Company, and a concerned individual supported this bill. Several members of the Maui County Council, KAHEA: The Hawaiian-Environmental Alliance, Friends of Lanai, Life of the Land, Ka Lei Maile Alii Hawaiian Civic Club, and numerous concerned individuals opposed this bill. The Office of Hawaiian Affairs, Public Utilities Commission (PUC), Maui Tomorrow Foundation, Inc., and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) In certain cases if the on-island transmission structure is not completed, clarifying that the electric utility company may be allowed:
  - (A) To recover reasonable costs determined by PUC to have been prudently incurred by the company during the predevelopment and development periods; and
  - (B) By PUC to recover the reasonable costs through the cable surcharge;
- (2) Changing its effective date to July 1, 2030, 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. 367, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 367, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Coffman.  
(Representative Riviere voted no.)

**SCRep. 1537 Finance on S.B. No. 725**

The purpose of this bill is to expand the application of the solid waste management surcharge to solid waste that is:

- (1) Disposed of within the State at permitted or unpermitted incineration facilities and waste-to-energy facilities; or
- (2) 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.

The Department of Health testified in support of this bill. The PVT Land Company and Honua Power, LLC opposed this measure. The City and County of Honolulu Department of Environmental Services provided comments.

Your Committee has amended this bill by:

- (1) Increasing the solid waste management surcharge from 35 cents to 75 cents per ton of solid waste;
- (2) Deleting the application of the solid waste management surcharge to waste-to-energy facilities;
- (3) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 725, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 725, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1538 Finance on S.B. No. 146**

The purpose of this bill is to work toward expanding the use of biofuels as a viable source of energy in Hawaii by requiring diesel fuel sold in the State for use in motor vehicles to contain five percent biodiesel that is produced in the State from locally-sourced products meeting certain certification standards.

This bill also:

- (1) Allows the Director of Business, Economic Development, and Tourism (DBEDT), under special conditions, to authorize the sale of diesel fuel that does not meet the aforementioned provision; and
- (2) Requires distributors to file with DBEDT, such documents as:
  - (A) The price and amount of biodiesel available;
  - (B) The amount of biodiesel-blended fuel sold by the distributor; and
  - (C) The amount of non-biodiesel-blended diesel fuel sold by the distributor.

Aina Koa Pono, LLC, and Pacific Biodiesel, Inc., supported this measure. Mid Pac Petroleum and a concerned individual opposed this bill. Western States Petroleum Association, Air Transport Association of America, Inc., and Hawaii Fueling Facilities Corporation offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 146, 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. 146, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.



**SCRep. 1539 Finance on S.B. No. 699**

The purpose of this bill is to ensure adequate environmental protection in the State by providing additional support to the Office of Environmental Quality Control (OEQC). Specifically, this measure requires OEQC to establish filing and other fees, permits the collection of interim filing fees, and establishes the Environmental Review Special Fund to accept the fees and other moneys meant to support OEQC.

OEQC and a concerned individual supported this bill. The City and County of Honolulu Department of Design and Construction and the Land Use Research Foundation of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Permitting moneys in the Environmental Review Special Fund to be used as part of OEQC's base budget;
- (2) Establishing the filing fees OEQC may collect in statute rather than permitting interim filing fees until the establishment of filing fees by rules adopted by OEQC; 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. 699, 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. 699, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1540 Finance on S.B. No. 1244**

The purpose of this bill is to expand the applicability of the renewable energy facility siting process to include biofuel production facilities and distribution infrastructure with the capacity to produce or distribute 100,000 gallons or more of biofuel annually.

The Department of Business, Economic Development, and Tourism; Hawaii BioEnergy, LLC; and SunFuels Hawaii, LLC supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030; and
- (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. 1244, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1244, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1541 Finance on S.B. No. 239**

The purpose of this bill is to address the use of tobacco settlement fund moneys by:

- (1) Extending the John A. Burns School of Medicine's (JABSOM) authorization to use a certain portion of its share of Hawaii Tobacco Settlement Fund moneys for operating expenses until 2015 while reducing this portion by an unspecified percentage each fiscal year until the fiscal year ending June 30, 2015;
- (2) Establishing the University of Hawaii School of Public Health Special Fund to finance the establishment of a School of Public Health;
- (3) Establishing the Hawaii Medical Doctor Loan Program and a special fund to support the program;
- (4) Establishing the Hilo Medical Center Rural Interdisciplinary Residency Program and a special fund to implement and sustain the program; and
- (5) Directing the reduced portion of JABSOM's share of Hawaii Tobacco Settlement Fund moneys allowed for operating expenses into the University of Hawaii School of Public Health Special Fund, Hawaii Medical Doctor Loan Program Special Fund, and Hilo Medical Center Rural Interdisciplinary Residency Program Special Fund in unspecified percentages.

The Hawaii Medical Association and Hawaii Island Healthcare Alliance supported this bill. The Coalition for a Tobacco-Free Hawaii opposed this measure. The Department of Budget and Finance, JABSOM, University of Hawaii Cancer Center, Kalihi-Palama Health Center, Hawaii Medical Service Association, Hawaii Pacific Health, The Queen's Health Systems, American Heart Association, and American Cancer Society 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. 239, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1542 Finance on S.B. No. 596**

The purpose of this bill is to assist medically underserved communities in the State by appropriating an unspecified amount of funds to implement and sustain the Hilo Medical Center's rural interdisciplinary residency program.

The Hawaii Health Systems Corporation Board of Directors, John A. Burns School of Medicine of the University of Hawaii at Manoa, East Hawaii Region of Hawaii Health Systems Corporation, Hawaii State Center for Nursing, and the County of Hawaii 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. 596, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1543 Finance on S.B. No. 797**

The purpose of this bill is to benefit the overall health of the people of Hawaii by appropriating funds to the Department of Health (DOH) to participate in any federal matching grant programs authorized by the federal Health Information Technology for Economic and Clinical Health Act with respect to the design or development of health information technology systems. This bill also establishes reporting requirements for DOH relating to the appropriation.

No testimony was received 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. 797, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1544 Finance on S.B. No. 1348**

The purpose of this bill is to establish a nonprofit health insurance exchange, to be known as the Hawaii Health Connector, to, among other things, facilitate the purchase and sale of qualified health plans in compliance with the federal Patient Protection and Affordable Care Act of 2010.

The Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, Hawaii Medical Association, American Cancer Society, Hawaii Medical Service Association, and Hawaii Dental Service testified in support of this bill. The Acting Director of the Legislative Reference Bureau and Hawaii Association of Health Plans offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1348, 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. 1348, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1545 Finance on S.B. No. 1274**

The purpose of this bill is to update Hawaii's Patients' Bill of Rights and Responsibilities Act under Chapter 432E, Hawaii Revised Statutes (HRS), to conform to the requirements of the federal Patient Protection and Affordable Care Act of 2010 under Public Law No. 111-148.

The Department of Commerce and Consumer Affairs and 'Ohana Health Plan supported this bill. Hawaii Medical Association and numerous concerned individuals opposed this measure. Hawaii Medical Service Association, FACE Health Care Committee, Kaiser Foundation Health Plan, Inc., and several concerned individuals commented on this measure.

Your Committee has amended this bill by:

- (1) Including reference to the application of medical necessity criteria as defined in Section 432E-1, HRS, under factors that an assigned independent review organization must consider in reaching a decision;
- (2) Requiring, rather than allowing, an assigned independent review organization to consider certain factors, as specified in the bill, in reaching a decision;
- (3) Changing its effective date to June 30, 2011; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1274, 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. 1274, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1546 Finance on S.B. No. 1078**

The purpose of this bill is to:

- (1) Have benefits for the Hawaii Employer-Union Health Benefits Trust Fund be determined by collective bargaining between the public employer and the exclusive representative of a bargaining unit of public employees; and
- (2) With respect to the resolution of disputes under collective bargaining, make the decision of an arbitration panel final and binding upon the parties on all provisions submitted to the arbitration panel.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1078, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1547 Finance on S.B. No. 1088**

The purpose of this bill is to assist unemployed residents by:

- (1) Removing the eight-week limitation during which an individual may receive partial unemployment benefits;
- (2) Repealing the June 30, 2012, sunset date of provisions related to partial unemployment benefits;
- (3) Requiring, rather than allowing, the waiver of registration and work-search requirements for individuals who are partially unemployed; and
- (4) Setting forth conditions under which an individual who has established eligibility based on full-time employment may be found to have good cause for voluntarily separating from subsequent part-time employment.

The Department of Labor and Industrial Relations, United Public Workers, and ILWU Local 142 supported this bill. The General Contractors Association 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. 1088, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1548 Finance on S.B. No. 1221**

The purpose of this bill is to:

- (1) Specify certain sanctions for general contractors and subcontractors who fail to comply with sanctions under Chapter 103B, Hawaii Revised Statutes, relating to employment of state residents on construction procurement contracts;
- (2) Authorize a contractor to withdraw a bid prior to an award of a contract if the contractor finds that it is unable to comply with the 80 percent Hawaii resident workforce requirement; and
- (3) Specify that a general contractor shall not be sanctioned for noncompliance by a subcontractor of that general contractor on the same contract.

The International Union of Painters and Allied Trades, District Council 50 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. 1221, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1549 Finance on S.B. No. 1341**

The purpose of this bill is to ensure the long-term viability of the Employees' Retirement System (ERS) by:

- (1) Establishing different conditions, benefits, and requirements relating to various aspects of ERS membership including:

- (A) Employee contributions to the ERS;
- (B) ERS membership service credit;
- (C) Vesting period and years of credited service;
- (D) Service retirement allowance;
- (E) Retirement age for employees;
- (F) Average final compensation calculation; and
- (G) Post retirement allowance for employees,

for persons who become members of the ERS before July 1, 2012, and persons who become members after June 30, 2012;

- (2) Increasing contribution rates for employer contributions to the ERS beginning in fiscal year 2012-2013;
- (3) Reducing the percentage of regular interest to be credited to a new employee's retirement account; and
- (4) Reducing the investment yield assumption for the ERS to 7.75 percent for the fiscal year ending June 30, 2011.

The Department of Budget and Finance, ERS Board of Trustees, and the City and County of Honolulu 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. 1341, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1550 Finance on S.B. No. 1065**

The purpose of this bill is to:

- (1) Create a new collective bargaining unit, Collective Bargaining Unit (14), to represent state law enforcement officers; and
- (2) Prohibit the Hawaii Labor Relations Board from directing an election in a bargaining unit that has been established for less than an unspecified number of months and is composed of employees who are currently covered by a valid collective bargaining agreement.

The Department of Public Safety, Hawaii State Sheriff Division, and numerous concerned individuals testified in support of this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1065, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1065, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1551 Finance on S.B. No. 1076**

The purpose of this bill is to provide employees with greater protection by making it unlawful, under specified conditions, 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, with certain exceptions.

The Department of Labor and Industrial Relations; Labor Caucus of the Democratic Party of Hawaii; United Public Workers, AFSCME, Local 646, AFL-CIO; International Brotherhood of Electrical Workers, International Brotherhood of Electrical Workers Local 1260; International Brotherhood of Electrical Workers Local Union 1357; Hawaii State AFL-CIO; ILWU Local 142; Pride At Work Hawaii; Plumbers and Fitters Union, Local 675; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and many concerned individuals supported this bill. The Chamber of Commerce of Hawaii; National Federation of Independent Business; Society for Human Resource Management-Hawaii Chapter; Hawaiian Telcom; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Limited; Finance Factors, Ltd.; and General Contractors Association of Hawaii opposed this measure. The Hawaii State Teachers Association provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that permit employers and labor organizations to take adverse action against an employee if the employee is unable to fulfill the essential job functions or requirements of the employee's position;
- (2) Removing provisions that specify that in taking adverse action against an employee, the employer must comply with all federal, state, and county laws providing for protected leave; 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. 1076, 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. 1076, S.D. 1, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1552 Finance on S.B. No. 1089**

The purpose of this bill is to strengthen protection for employees by requiring the Department of Labor and Industrial Relations (DLIR) to enforce notice requirements of a closing, divestiture, partial closing, or relocation upon specified establishments.

The United Public Workers and ILWU Local 142 supported this bill. DLIR provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 1089, 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. 1089, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1553 Finance on S.B. No. 281**

The purpose of this bill is to assist the Department of Agriculture (DOA) in becoming more self-sufficient by, among other things:

- (1) Establishing the Animal Industry Special Fund (Special Fund) to pay for the costs of DOA's Division of Animal Industry and to fund DOA's resource management and planning programs; and
- (2) Authorizing the use or rental of DOA's Division of Animal Industry's property or facilities, including animal quarantine property or facilities, for commercial purposes, and requiring that revenues generated be deposited into the Special Fund.

DOA and the Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that monies, rather than all monies, received by the Board of Agriculture from the use or rental of the Division of Animal Industry's properties or facilities shall be deposited into the Special Fund;
- (2) Changing its effective date to July 1, 2030, 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. 281, 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. 281, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1554 Finance on S.B. No. 1393**

The purpose of this bill is to promote aquaculture and infrastructure development by:

- (1) Stipulating that dams and related reservoir areas designated as important agricultural lands (IALs) shall be eligible for inclusion in the total acreage calculation for IALs and shall qualify for IAL incentives; provided that the dams and reservoirs are located within property designated as IALs and provide irrigation water to agricultural lands the majority of which are IALs;
- (2) Establishing an income tax credit amounting to a percentage of all costs incurred by a taxpayer as a result of dam or reservoir remediation measures taken as directed by the Department of Land and Natural Resources (DLNR); and
- (3) Establishing an income tax credit amounting to a percentage of the cost of capital investments in aquacultural facilities.

Hawaii Farm Bureau Federation; Land Use Research Foundation of Hawaii; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Kauai Coffee Company; Grove Farm Company, Inc.; and Hawaii Cattlemen's Council supported this bill. The Department of Taxation opposed this bill. The Department of Agriculture, DLNR, Office of Planning, Tax Foundation of Hawaii, and Monsanto Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the provisions establishing two income tax credits equal to a percentage of:
  - (A) All costs incurred by a taxpayer as a result of dam or reservoir remediation measures taken as directed by DLNR; and
  - (B) The cost of capital investments in aquacultural facilities;
 and
- (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. 1393, 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. 1393, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1555 Finance on S.B. No. 145**

The purpose of this bill is to authorize the issuance of general obligation bonds to provide additional funding needed for the repair and maintenance of various irrigation systems throughout the State.

The Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, Hawaii Agricultural Research Center, Monsanto Hawaii, Hawaii Crop Improvement Association, Halms Enterprise, Inc., and several concerned individuals testified in support of this measure. The Department of Agriculture and Fat Law's Farm, Inc. offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to unspecified amounts;
- (2) Changing its effective date to July 1, 2030, 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. 145, 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. 145, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1556 Finance on S.B. No. 249**

The purpose of this bill is to appropriate funds for the Department of Agriculture (DOA) to acquire, renovate, and furnish a slaughterhouse facility within Campbell Industrial Park.

The Hawaii Farm Bureau Federation and the Hawaii Cattlemen's Council supported this bill. The World Society for the Protection of Animals, Humane Society of the United States, Healthy Hawaii Coalition, Leilani Farm Sanctuary, Animal Rights Hawaii, Organic Rawsome, Down to Earth, and numerous concerned individuals opposed this measure. DOA submitted comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount from \$1,600,000 to an unspecified amount;
- (2) Changing its effective date to July 1, 2030, 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. 249, 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. 249, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1557 Finance on S.B. No. 1153**

The purpose of this bill is to make loans available to new farmers at affordable rates through the New Farmer Program (Program) by, among other things:

- (1) Revising the Program by qualifying new farmers based on ability, experience, and training, in addition to other eligibility requirements including specified groups of new farmers and substituting Future Farmer of America graduates with graduates of the National FFA Organization;

- (2) Reducing the number of credit denials for class "F" loans required to qualify for the Program;
- (3) Setting the Program interest rate for class "F" loans at one and one-half percent below the prime rate or at a rate of six percent, whichever is less;
- (4) Reducing the minimum interest rate for agricultural loans made under Chapter 155, Hawaii Revised Statutes (HRS), from three percent to one percent;
- (5) Increasing the Program loan limit to \$250,000; and
- (6) Appropriating an unspecified amount of funds for the Program.

The Department of Agriculture, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Reestablishing the minimum interest rate for agricultural loans made under Chapter 155, HRS, at three percent to ensure the sustainability of the loan program;
- (2) Deleting all appropriations for the Program;
- (3) Changing its effective date to July 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1153, 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. 1153, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1558 Finance on S.B. No. 14**

The purpose of this bill is to enhance public safety and address needed infrastructure improvements by:

- (1) Expanding the authorized uses of the Agricultural Development and Food Security Special Fund (Special Fund) to include dams and reservoirs, and specifying that authorized uses include investigative studies to identify and assess necessary improvements to dams, reservoirs, irrigation systems, transportation networks, and water quality testing and improvement; and
- (2) Authorizing the Director of Finance to issue general obligation bonds in an unspecified amount and depositing its revenues into the Special Fund for plans, design, construction, and other related costs for dam, reservoir, or irrigation system improvements.

The Hawaii Farm Bureau Federation; Land Use Research Foundation of Hawaii; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Kauai Coffee Company; Grove Farm Company, Inc.; Monsanto Hawaii; Dole Food Company Hawaii; and Hawaii Cattlemen's Council supported this bill. The Department of Agriculture 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. 14, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1559 Finance on S.B. No. 1247**

The purpose of this bill is to improve the management of the Aloha Tower area, as well as Hawaii's commercial harbors, in light of the elimination of the Aloha Tower Development Corporation (ATDC) by, among other things:

- (1) Establishing the Aloha Tower Complex area under the jurisdiction of Hawaii Community Development Association (HCDA);
- (2) Stipulating that the Department of Transportation (DOT) shall be responsible for the implementation of the commercial harbors modernization plan;
- (3) Transferring all other rights, powers, functions, duties, and assets, including leases, of the ATDC to HCDA; and
- (4) Appropriating funds out of the Aloha Tower Fund for the operating expenses of the Aloha Tower Complex.

The Attorney General; DOT; Department of Business, Economic Development, and Tourism (DBEDT); and HCDA offered comments.

Your Committee has amended this bill by:

- (1) Designating DOT, not DBEDT, as having administrative oversight of the ATDC;

- (2) Reducing the members on the ATDC board of directors to three:
  - (A) The Director of Transportation;
  - (B) The Deputy Director of Transportation, Harbors Division; and
  - (C) The Director of Business, Economic Development, and Tourism;
- (3) Designating DOT, not DBEDT, to receive monies or charges including reimbursements for costs and staff services as a result of planning, development, or redevelopment of the lands located seaward of Nimitz Highway between Pier 4 and Pier 11, rather than between Pier 4 and the Honolulu International Airport, and those monies shall be deposited into the Aloha Tower fund;
- (4) Adding lease payments to DOT as one of the uses for the Aloha Tower fund;
- (5) Changing the effective date to July 1, 2030, to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1247, 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. 1247, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1560 Finance on S.B. No. 98**

The purpose of this bill is to ensure that Hawaii's regulated water cargo transportation industry serves the public interest by, among other things:

- (1) Requiring the Public Utilities Commission (PUC) to hold public hearings, subject to specified notice requirements, before approving a water carrier's application for a certificate of public convenience and necessity;
- (2) Specifying the findings required to support the issuance of a certificate of public convenience and necessity to a water carrier, and requiring these findings to be supported by evidence in the record;
- (3) Prohibiting PUC from issuing any certificate of public convenience and necessity that is designated as interim or temporary or that otherwise does not conform to the requirements contained in this measure except in response to an emergency situation and stipulating what constitutes an emergency situation; and
- (4) Requiring PUC to post a link on its website to a publicly accessible electronic version of each application for a certificate of public convenience and necessity submitted by a water carrier and each order of PUC related to the posted applications and to specify requirements for the type, method, and duration of postings.

The Hawaii Farm Bureau Federation; Maui Hotel and Lodging Association; and Young Brothers, Limited testified in support of this measure. The Consumer Advocate of the Department of Commerce and Consumer Affairs and PUC provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that issuance of a certificate of public convenience and necessity would not permit an applicant to serve only high-margin or high-profit ports or lines of service that are currently serviced by an existing carrier; provided that an interisland water carrier that proposes to transport primarily passengers shall not be considered to be in the same line of service as an existing cargo carrier;
- (2) Changing its effective date to July 1, 2030, 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. 98, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 98, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1561 Finance on S.B. No. 1324**

The purpose of this bill is to maintain one source of revenue stream for the State Highway Fund (Fund) by maintaining the rental motor vehicle surcharge tax at \$3 per day and appropriating an unspecified amount from the Highway Fund to maintain the state highways system.

The Department of Taxation testified in support of this bill. The Department of Transportation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:



- (1) Changing its effective date to July 1, 2030, 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. 1324, 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. 1324, S.D. 2, H.D. 2.

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

**SCRep. 1562 Finance on S.B. No. 1328**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by:

- (1) Increasing the State motor vehicle registration fee from \$25 to \$45; and
- (2) Specifying that \$40 of the State motor vehicle registration fee shall be deposited into the State Highway Fund.

DOT testified in support of this bill. A concerned individual testified in opposition to this measure. The City and County of Honolulu Department of Customer Services, Disability and Communication Access Board, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1328, 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. 1328, S.D. 1, H.D. 2.

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

**SCRep. 1563 Finance on S.B. No. 1329**

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State vehicle weight tax.

DOT and the Department of Taxation testified in support of this bill. A concerned individual testified in opposition to this measure. The City and County of Honolulu Department of Customer Services and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 1329, 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. 1329, S.D. 1, H.D. 2.

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

**SCRep. 1564 Finance on S.B. No. 1493**

The purpose of this bill is to preserve the quality of the night sky and its associated cultural, scientific, astronomical, natural, and landscape-related values and provide an environmentally friendly strategy for the lighting of Hawaii. Specifically, this measure requires the establishment of a starlight reserve strategy by, among other things:

- (1) Requiring that every new and replacement outdoor lighting fixture use full cut-off lens fixtures to direct the lighting downward, with certain exceptions; and
- (2) Providing for acceptable alternative lighting sources when fully shielded fixtures are not practical.

The University of Hawaii System, Subaru Telescope, and several concerned individuals testified in support of this bill. The Department of Accounting and General Services and Department of Transportation testified in opposition to this measure. The Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; the City and County of Honolulu Department of Design and Construction; the County of Kauai Department of Parks and Recreation; Starlight Reserve Committee; Alexander & Baldwin, Inc.; Hawaiian Commercial & Sugar Company; Building Industry Association of Hawaii; Hawaii Farm Bureau Federation; and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Providing an additional exemption from the use of full cut-off lighting fixtures to temporary outdoor lighting used for night-time agricultural operation; and
- (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. 1493, 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. 1493, S.D. 1, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1565 Finance on S.B. No. 823**

The purpose of this bill is to improve management and oversight of contracts relating to county public transit by making the director of a semi-autonomous county public transit agency the chief procurement officer for that agency.

The City and County of Honolulu Department of Transportation Services and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1566 Finance on S.B. No. 1327**

The purpose of this bill is to continue the revenue stream for airport improvement projects by ensuring that the Department of Transportation (DOT) is able to collect the maximum amount of the Passenger Facility Charge allowed by the Federal Aviation Administration.

DOT supported 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 S.B. No. 1327, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1567 Finance on S.B. No. 1555**

The purpose of this bill is to establish the public land development corporation to administer an appropriate and culturally-sensitive public land development program that shall:

- (1) Identify the public lands that are suitable for development;
- (2) Carry on marketing analysis to determine the best revenue-generating programs for the public lands identified; and
- (3) Enter into public-private agreements to:
  - (A) Appropriately develop the public lands identified; and
  - (B) Provide the leadership for the development, financing, improvement, or enhancement of the selected development opportunities.

Additionally, the purpose of this bill is to rehabilitate certain small boat harbor facilities and generate revenue from the use of such facilities by, among other things:

- (1) Expanding the permitted uses for state boating facility properties leased out to include any use that will complement or support the ocean recreation activities of such facilities, and the term for the disposal of such property to 65 years;
- (2) Allowing the limited issuance of commercial use permits for vessels with assigned mooring in the Ala Wai and Keehi Boat Harbors;
- (3) Allowing future moorage fees to be established by appraisal by a State-licensed appraiser approved by the Department of Land and Natural Resources (DLNR) for non-commercial maritime activities;

- (4) Allowing, for commercial maritime activities, the Harbors Division of the Department of Transportation (Division) to set a mooring fee as either the published tariff set by the Division or the fee as established by the State-licensed appraiser approved by DLNR;
- (5) Authorizing DLNR to assess and collect utility fees and common area maintenance fees in small boat harbors; and
- (6) Directing DLNR to use the request-for-proposal process for the public-private development, management, and operation of areas of Ala Wai Boat Harbor.

A concerned individual opposed this bill. DLNR offered comments

Your Committee has amended this bill by:

- (1) Deleting the proviso that any fees collected from state small boat harbors only be expended for costs relating to the operation, upkeep, maintenance, and improvement of state small boat harbors;
- (2) Changing the effective date to July 1, 2030, to promote 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. 1555, 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. 1555, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1568 Finance on S.B. No. 1219**

The purpose of this bill is to protect the sources of freshwater on the island of Lanai by requiring:

- (1) Funding for Lanaihale Watershed Management Plan be provided from private sources and available federal sources; and
- (2) The Department of Land and Natural Resources (DLNR) to control and manage the implementation of the plan.

DLNR, Hawaiian Electric Company, and Maui Electric Company supported this bill.

Your Committee has amended this bill by:

- (1) Including the assessment and monitoring of the nearshore marine environment as part of the Lanaihale Watershed Management Plan;
- (2) Specifying that the Lanaihale Watershed Management Plan is part of the Natural Area Reserves and Watershed Management (LNR 407) program;
- (3) Requiring state funds for the Lanaihale Watershed Management Plan have a one-to-three, state-to-private funds match;
- (4) Changing the effective date to July 1, 2030, 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 S.B. No. 1219, 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. 1219, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1569 Finance on S.B. No. 1511**

The purpose of this bill is to encourage commercial aquaculture production in the State by:

- (1) Increasing the maximum term for aquaculture leases, from 35 to 65 years;
- (2) Allowing aquaculture operations in good standing to be given the right of first refusal, seek to renew a lease, and during the lease term, engage in supportive activities that are related to or integrated with aquaculture;
- (3) Authorizing the Department of Land and Natural Resources (DLNR) to:
  - (A) Designate any unused or underused DLNR public lands for aquaculture;
  - (B) Enter into agreements to authorize DLNR or the Department of Agriculture (DOA) to dispose of designated lands in a manner consistent with the use of lands for aquaculture; and

(C) Exercise any power granted to it over lands designated by the Department of Transportation (DOT) for aquaculture;  
and

(4) Adding a definition of "aquaculture" to the public lands laws.

Hawaii Aquaculture and Aquaponics Association; East Oahu County Farm Bureau; Marine AgriFuture, LLC.; Oceanic Institute; Keahole Point Fish LLC; Hawaii Oceanic Technology, Inc.; Deep Blue Research; Hawaii Farm Bureau Federation; and numerous concerned individuals supported this bill. DLNR, DOT, Food & Water Watch, Ka Honua Momona International, Keoua Honaunau Canoe Club, Kohala Ranch Community Association, Kohala by the Sea, residents of Kahala Estates, Kailapa Community Association, South Kohala Hawaiian Civic Club, and numerous individuals opposed this measure. DOA and the Office of Hawaiian Affairs commented on this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision authorizing aquaculture operations in good standing to be given the right of first refusal for public lands leases;
- (2) Amending the definition of "aquaculture" to exclude raising animals grown on forage presumably grown using aquaculture effluents. As amended, the definition will include propagating, cultivating, and farming of aquatic plants and animals, including aquaponics or any process of growing plants or animals in aquaculture effluents;
- (3) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1511, 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. 1511, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1570 Finance on S.B. No. 1549**

The purpose of this bill is to begin to improve Hawaii's small boat harbors. Specifically, this measure provides funding for repairs at the Ala Wai and Keehi boat harbors by:

- (1) Authorizing the issuance of commercial-use permits;
- (2) Extending the maximum term of the disposition of public lands of state boating facilities from 55 to 65 years;
- (3) Providing that any fees collected within small boat harbors must be expended only for costs related to the operation, upkeep, maintenance, and improvement of small boat harbors;
- (4) Specifying a process to impose mooring fees; and
- (5) Directing the Department of Land and Natural Resources (DLNR) to enter into a public-private partnership to lease and develop certain lands at the Ala Wai Boat Harbor.

DLNR testified in support of this bill. Shuto Sales and Management, LLC; Ala Wai Harbor Landside Coalition; Waikiki Residents Association, and numerous concerned individuals opposed this measure. The Ilikai Association of Apartment Owners provided comments.

Your Committee has amended this bill by:

- (1) Deleting the provision requiring fees collected within small boat harbors to be expended only for costs related to the operation, upkeep, maintenance, and improvement of small boat harbors;
- (2) Removing certain permissible-use conditions required under a lease of lands at Ala Wai Boat Harbor when DLNR enters into a public-private partnership for the development, management, and operation of areas of the harbor, including requirements for:
  - (A) Minimum office space square footage for use by the Division of Boating and Ocean Recreation (DOBOR); and
  - (B) A minimum number of parking stalls for DOBOR and for public metered parking;
- (3) Changing its effective date from July 1, 2050, to July 1, 2030, to continue to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1549, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1549, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 1571 Finance on S.B. No. 903**

The purpose of this bill is to preserve United States Department of Housing and Urban Development and United States Department of Agriculture housing projects in the State as affordable rental housing projects in perpetuity by establishing the Affordable Rental Housing Development Program under the Hawaii Housing Finance and Development Corporation (HHFDC).

Catholic Charities Hawaii and Partners In Care supported this bill. HHFDC opposed this measure. The Roman Catholic Diocese of Honolulu submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 903, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1572 Finance on S.B. No. 912**

The purpose of this bill is to:

- (1) Appropriate unspecified amounts of funds for:
  - (A) The Housing Placement Program within the Homeless Programs Office of the Department of Human Services (DHS); and
  - (B) Improving existing affordable rental housing stock and increasing affordable rental housing units in the State whose housing falls under the Hawaii Community Development Authority, the Hawaii Housing Finance and Development Corporation (HHFDC), the Hawaii Public Housing Authority (HPHA), the City and County of Honolulu, the County of Hawaii, the County of Kauai, and the County of Maui;
- (2) Require DHS to identify properties statewide, to include a feasibility and cost analysis, for the development of affordable rental housing for low-income individuals and families under the Housing First Programs; and
- (3) Require DHS to report its findings and recommendations to the Governor and the Legislature no later than December 1, 2011.

Catholic Charities Hawaii, Hawaii Catholic Conference, Partners In Care, the Roman Catholic Diocese of Honolulu, and HHFDC testified in support of this bill. HPHA testified in opposition to this measure. DHS and the Hawai'i Association of REALTORS® submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1573 Finance on S.B. No. 1394**

The purpose of this bill is to address the increased need for housing by authorizing the Hawaii Public Housing Authority (HPHA) to enter into contracts with eligible developers to develop public housing projects in exchange for the right to develop a portion of a public housing project for commercial use.

HPHA testified in support of this bill. The Department of Human Services submitted comments.

Your Committee has amended this bill by changing its effective date to July 1, 2030, to encourage further discussion.

While your Committee notes the need to develop new housing for the State's lowest income populations, it is imperative that the commercial use of public housing property take into consideration the needs of the residents of the public housing project and should be beneficial to these residents.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1394, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1394, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1574 Finance on S.B. No. 900**

The purpose of this bill is to help address the needs of the unsheltered homeless population by appropriating funds to establish safe havens in surplus or available open or vacant locations.

The Department of Human Services and several concerned individuals opposed this bill. Partners in Care provided comments.

Your Committee has amended this bill by:

- (1) Making unspecified the amount to be appropriated;

- (2) Changing its effective date to July 1, 2030, 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. 900, 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. 900, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1575 Finance on S.B. No. 1073**

The purpose of this bill is to help low- and moderate-income individuals obtain legal services by temporarily increasing the amount of the surcharges assessed on certain court filings. The surcharges are deposited into the Indigent Legal Assistance Fund (Fund).

This bill also requires the Hawaii Justice Foundation to review the Fund on a biennial basis to determine whether it is meeting the civil legal needs of indigent persons and to report its findings and recommendations to the Legislature in each even-numbered year, beginning with the Regular Session of 2014.

Hawaii State Bar Association (HSBA), Hawaii Access to Justice Commission, Volunteer Legal Services Hawaii, American Civil Liberties Union of Hawaii, Hawaii Disability Rights Center, University of Hawaii Center on Disability Studies, Delivery of Legal Services to the Public Committee of the HSBA, The Mediation Center of the Pacific, Inc., Hawaii Justice Foundation, and numerous concerned individuals supported this bill. The Collection Law Section of the HSBA and several concerned individuals opposed this measure. Hawaii Paralegal Association, Domestic Violence Action Center, Legal Aid Society of Hawaii, and numerous concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Making the provisions of this bill permanent;
- (2) Changing its effective date to July 1, 2030, 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. 1073, 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. 1073, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1576 Finance on S.B. No. 52**

The purpose of this bill is to add the following offenses to the definition of "sexual offense" under Chapter 846, Hawaii Revised Statutes (HRS), the Hawaii Criminal Justice Data Center; Civil Identification Law, thereby requiring persons convicted of those offenses to register as sex offenders:

- (1) Promoting prostitution in the first degree, with respect to a person advancing prostitution by compelling a person by force, threat, or intimidation to engage in prostitution, or profit from such coercive conduct by another; and
- (2) Violation of privacy in the first degree.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Imua Alliance, and several concerned individuals supported this bill.

Your Committee notes that this bill applies retroactively to any person who is or was:

- (1) Convicted at any time of a violation of privacy in the first degree; or
- (2) Charged at any time of a violation of privacy in the first degree, and:
  - (A) Is currently or was previously found unfit to proceed against the charges and is currently or was previously released into the community; or
  - (B) Is currently or was previously acquitted due to a physical or mental disease, disorder, or defect pursuant to Chapter 704, HRS, the Penal Responsibility and Fitness to Proceed Law, and is currently or was previously released into the community.

It is your Committee's intent that the provisions in this bill apply retroactively to civil penalties only, and not to criminal penalties for past criminal 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. 52, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1577 Finance on S.B. No. 1491**

The purpose of this bill is to expand the circumstances under which a summons or other writ issued by a district court may be served outside of the State.

The Collection Law Section of the Hawaii State Bar Association 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 S.B. No. 1491, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1578 Finance on S.B. No. 155**

The purpose of this bill is to establish a regulatory system for athletic trainers, including among other things, athletic trainer qualifications and registration requirements.

The Occupational Therapy Association of Hawaii, Hawaii Association of Athletic Trainers, and Hawaii Chapter-American Physical Therapy Association testified in support of this bill. The Department of Education, Department of Commerce and Consumer Affairs (DCCA), and Professional and Vocational Licensing Division of DCCA offered comments.

Your Committee has amended this bill by:

- (1) Including the treatment of athletic injuries under the definition of the "Practice of athletic training";
- (2) Clearly establishing an athletic trainer program within DCCA to be administered by the Director of Commerce and Consumer Affairs;
- (3) Clarifying that a person is prohibited from engaging in the practice of athletic training without meeting certain qualifications and registering with DCCA;
- (4) Clearly specifying the exemptions to the requirements applicable to athletic trainers;
- (5) Including among the exemptions in paragraph (4), individuals:
  - (A) Licensed to practice medicine; and
  - (B) Acting as an athletic trainer and a patient to himself or herself or performing gratuitous athletic training as a friend or family member who does not represent himself or herself to be an athletic trainer;
- (6) Allowing for the administration of routine assistance or first aid by a person who is not a registered athletic trainer for injuries or illnesses sustained at an athletic event or program;
- (7) Clarifying certain registration requirements for athletic trainers;
- (8) Establishing requirements for athletic trainers to maintain their registration;
- (9) Establishing certain powers and duties of the Director of Commerce and Consumer Affairs;
- (10) Providing for the establishment of license application, registration, renewal, restoration, and other fees and penalties;
- (11) Establishing grounds for the denial, revocation, or suspension of registration of athletic trainers;
- (12) Clarifying that the registration to indicate permission to engage in the practice of athletic training applies to a current registration and is subject to any applicable registration restriction or condition;
- (13) Establishing a fine of not more than \$1,000 for a violation;
- (14) Stipulating that each day's violation or failure to comply shall constitute a separate offense;
- (15) Stipulating that unless otherwise expressly provided, the remedies or penalties are cumulative to each other and to the remedies or penalties available under all other laws of this State;
- (16) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (17) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 155, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 155, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1579 Finance on S.B. No. 1347**

The purpose of this bill, as received by your Committee, is to:

- (1) Enable public utilities to submit filings and applications for rate changes with the Public Utilities Commission (PUC) electronically or by paper document;
- (2) Authorize PUC to assess an electronic-document surcharge to recoup the cost of accepting each electronic-document submitted and to adopt rules to implement the electronic-document surcharge;
- (3) Allow PUC to distribute, apportion, or allocate the costs and expenses of renewable portfolios aggregated by electric utility companies and their affiliates to meet renewable portfolio standards; and
- (4) Allow electric utility companies to recover, through an automatic rate adjustment clause, their revenue requirement from the distribution, apportionment, or allocation of the costs and expenses of their renewable portfolios.

The Division of Consumer Advocacy; Department of Business, Economic Development, and Tourism; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Ltd.; and Aina Koa Pono supported this bill. PUC and Hawaiian Telecom commented on this measure.

Your Committee has amended this bill by:

- (1) Adding the provisions of H.B. No. 972, H.D. 1, which requires:
  - (A) The PUC to assess a civil penalty of \$1,000 per day for each violation committed by a person who violates Section 486H-10.4, Hawaii Revised Statutes (pertaining to the operating of service stations by gasoline dealers and retailers); and
  - (B) The Attorney General to institute a civil action for recovery of civil penalties not paid within a time period set by PUC;
- (2) Changing its effective date to July 1, 2030, to facilitate continued 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. 1347, 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. 1347, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1580 Finance on S.B. No. 1270**

The purpose of this bill is to appropriate Hawaii Hurricane Relief Fund (HHRF) moneys into the general fund to make funds available to:

- (1) Balance the state budget for fiscal year 2011-2012, with a mechanism for the automatic replenishment of the HHRF for subsequent fiscal years; and
- (2) Maintain the levels of programs determined to be essential for education, public health, and public welfare.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in his Governor's Message dated April 5, 2011, to the Legislature, requested immediate consideration and passage of this bill, citing appropriating funds from the HHRF to the general fund to balance the state budget.

The Office of the Governor supported this bill. The HHRF Board of Directors and Hawaii Association of REALTORS opposed this measure. The Department of Budget and Finance and the Department of Commerce and Consumer Affairs commented on this measure.

Your Committee has amended this bill by:

- (1) Indicating the Governor's recommendation for immediate passage of this bill in accordance with Article VII, Section 9, of the Hawaii State Constitution;
- (2) Specifying an appropriation amount of \$42,000,000 out of the HHRF for fiscal year 2010-2011 to be deposited into the general fund to balance the state budget and maintain the levels of programs determined to be essential for education, public health, and public welfare;
- (3) Instead of providing that the Director of Finance will determine the repayment schedule of general fund moneys back to the HHRF, requiring that \$21,000,000 from all general excise tax revenues realized by the State be deposited into the HHRF during fiscal year 2013-2014 and the same amount be deposited into the HHRF during fiscal year 2014-2015;
- (4) Changing its effective date to upon approval; and



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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1270, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1581 Finance on S.B. No. 698**

The purpose of this bill is to improve Hawaii's roads, enable more cost-effective recycling of asphalt pavements, and protect Hawaii's environment by allowing, rather than requiring:

- (1) State agencies to purchase roadway materials with a minimum recycled glass content; and
- (2) All highway and road construction and improvement projects funded by the State or a county or roadways accepted as public roads to use a minimum of ten percent crushed glass aggregate for all basecourse and subbase applications.

The City and County of Honolulu Department of Design and Construction and Alakona Corp. 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. 698, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1582 Finance on S.B. No. 723**

The purpose of this bill is to extend the exemption from the State's environmental impact statement law, for any primary action that requires a permit or approval that is not subject to discretionary consent and that involves a secondary action that is ancillary and limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right-of-way or highway.

The Department of Transportation, Land Use Research Foundation of Hawaii, The Chamber of Commerce of Hawaii, Hawaii Association of Realtors, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported this bill.

Your Committee has amended this bill by:

- (1) Changing its sunset date to July 1, 2013;
- (2) Changing its effective date to June 30, 2011; 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. 723, 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. 723, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1583 Finance on S.B. No. 772**

The purpose of this bill is to encourage the production of renewable energies to help support energy security in Hawaii by expanding the existing ethanol facility tax incentive to include other liquid biofuels and electricity generated from agricultural feedstocks beginning January 1, 2014.

Pacific West Energy, LLC; Pacific West Energy Kauai, LLC; the Hawaii Carpenters Union; Aina Koa Pono; and a concerned individual supported this bill. The Department of Business, Economic Development & Tourism (DBEDT), Department of Taxation, Tax Foundation of Hawaii, Hawaii BioEnergy, Hawaii Renewable Energy Alliance, and Pacific Biodiesel, Inc., provided comments.

Your Committee has amended this bill by:

- (1) Removing language that extends the ethanol facility tax incentive to electricity production facilities;
- (2) Modifying the tax incentive reporting requirement to require taxpayers claiming the tax incentive to provide specified information to the Director of DBEDT at a time and frequency determined by the Director;
- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 772, 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. 772, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1584 Finance on S.B. No. 1363**

The purpose of this bill is to protect Hawaii's environment and address the inherent economic and environmental costs associated with the use of disposable checkout bags. Specifically, this measure, among other things:

- (1) Requires all businesses in the State to charge and collect a five cent fee, not subject to the General Excise Tax, for each single-use checkout bag provided to customers;
- (2) Permits businesses to retain 20 percent of the fees collected as revenue subject to income taxes;
- (3) Provides penalties for businesses that violate the provisions of the non-reusable checkout bag fee law; and
- (4) Preempts county ordinances regulating single-use checkout bags other than ordinances in effect prior to the effective date of this bill.

The Hawaii Chapters of the Surfrider Foundation, Surfrider Foundation-Maui Chapter, Times Supermarket, Environmental Law Society of the William S. Richardson School of Law, and numerous concerned individuals supported this bill. The American Chemistry Council and a concerned individual opposed this measure. The Department of Health (DOH), County of Maui Department of Environmental Management, Sierra Club-Hawaii Chapter, Safeway, Hawaii Food Industry Association, Retail Merchants of Hawaii, Windward Ahupuaa Alliance, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Increasing the per bag fee from five cents to ten cents;
- (2) Permitting businesses to provide single-use checkout bags to customers participating in federally-approved nutrition assistance programs, including the Supplemental Nutrition Assistance Program and Special Supplemental Nutrition Program for Women, Infants, and Children;
- (3) Imposing the General Excise Tax on the 20 percent of the fee that businesses retain;
- (4) Specifying that the fees will be remitted on the last day of each month rather than the 15<sup>th</sup>;
- (5) Inserting a definition of "small business" and permitting small businesses to remit the fees on a quarterly basis;
- (6) Specifying that any proprietary information obtained by DOH is confidential and not to be disclosed;
- (7) Directing an initial unspecified amount of the fees collected by DOH into a special account to cover the expenses and administration of the non-reusable checkout bag fee law;
- (8) Repealing a business's right to retain 20 percent of the fees one year after the implementation of the law;
- (9) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1363, 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. 1363, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1585 Finance on S.B. No. 318**

The purpose of this bill is to provide enhanced incentives for film and television production in Hawaii by adding a Qualified Media Infrastructure Project Tax Credit (Infrastructure Credit) to the existing Motion Picture, Digital Media, and Film Production Income Tax Credit (Production Credit). This bill also:

- (1) Establishes a Qualified Persons Crew Training Program Rebate Program; and
- (2) Repeals the existing limit on the amount of Production Credits that may be claimed by a qualified production.

The Mayor of the County of Maui; International Alliance of Theatrical Stage Employees, Mixed Local 665; Island Film Group; Hawaii Animation Studios; Relativity Media, LLC; SHM Partners/Film Studio Group; The Hawaii Building and Construction Trades Council, AFL-CIO; Hyperspective Studios; The Plumbers and Fitters Union, Local 675; On Location Services; and numerous concerned individuals supported this bill. The

Department of Taxation (DOTAX), Department of Business, Economic Development, and Tourism (DBEDT), Mayor of the City and County of Honolulu, Big Island Film Office, Tax Foundation of Hawaii, Prox13 Productions, Waianae Business Center, and several concerned individuals submitted comments.

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

- (1) Extending the duration of the lien on a qualified media infrastructure project, in favor of the State, pledged by a taxpayer eligible to claim the Infrastructure Credit from five years to ten years after completion of the infrastructure project;
- (2) Inserting and modifying the substance of House Bill No. 1308, S.D. 1, Regular Session of 2011, which:
  - (A) Establishes a Digital Media Production Infrastructure Tax Credit (Digital Media Infrastructure Credit) for investment expenditures made by a taxpayer for qualified digital media infrastructure projects within a Digital Media Enterprise Subzone;
  - (B) Defines a Digital Media Enterprise Subzone as a geographic area located within an unspecified radius of a University of Hawaii (UH) campus that is within an existing enterprise zone; provided that from July 1, 2011, to June 30, 2013, establishment of a Digital Media Enterprise Subzone is limited to an area within an unspecified radius of UH-West Oahu;
  - (C) Renames the existing Hawaii Television and Film Development Special Fund as the Hawaii Film Office Special Fund (Special Fund); and
  - (D) Temporarily amends the Special Fund by:
    - (i) Repealing the existing uses of the Special Fund and specifying, instead, that monies in the Special Fund shall be used for the operations of the Hawaii Film Office, including certain personnel costs; and
    - (ii) Adding rents from the use of the Hawaii Film Studio and fees collected for certain tax credit-related activities performed by DBEDT to the list of funding sources for the Special Fund;
- (3) Amending the recapture provisions of the Digital Media Infrastructure Credit by specifying that 90 percent, rather than 25 percent, of the tax credit claimed in the preceding five, instead of two, taxable years will be recaptured;
- (4) Requiring a taxpayer who claims:
  - (A) The Infrastructure Credit to transmit 15 percent of the gross revenues derived from a state-certified infrastructure project or \$1,000, whichever is greater, to DOTAX for deposit into the general fund; or
  - (B) The Digital Media Infrastructure Credit to transmit 15 percent of the gross revenues derived from a qualified digital media infrastructure project or \$1,000, whichever is greater, to DOTAX for deposit into the general fund;
- (5) Changing its effective date to July 1, 2050, to encourage further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 318, 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. 318, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1586 Finance on S.B. No. 753**

The purpose of this bill, as received by your Committee, is to:

- (1) Extend the income tax credit for qualified research activities for an additional five years;
- (2) Repeal existing certification requirements for qualified high technology businesses that qualify for the income tax credit for qualified research activities;
- (3) Establish reporting requirements for high technology businesses to enable the Department of Taxation (DOTAX) to measure the effectiveness of the tax credit; and
- (4) Establish a \$1,000 per month penalty for any qualified high technology business that fails to file its annual survey with the Director of Taxation by the due date.

For purposes of a public hearing on this bill, your Committee circulated a proposed H.D. 2 and notified the public that your Committee would be accepting testimony on the proposed H.D. 2. In addition to the provisions stated above, the proposed H.D. 2:

- (1) Stipulates that Manoa Innovation Center, currently under the control of University of Hawaii (UH) at Manoa, shall be leased to the High Technology Development Corporation (HTDC) for a term of not less than 35 years; and
- (2) Makes technical, nonsubstantive amendments to the bill for clarity, consistency, and style.

The Department of Business, Economic Development, and Tourism; HTDC; Oceanit; The Chamber of Commerce of Hawaii; Eyekon Systems; Convener of Hawaii Dual Use Network; President and CEO of NovaSol; Pukoa Scientific; Concentris Systems LLC; Vice President of Makai Ocean Engineering; Williams Aerospace, Inc.; the President and CEO, the Vice President of Business Operations, the Director of Finance, and the Program Manager of Referentia Systems Incorporated; and a concerned individual supported this bill. DOTAX, UH, Tax Foundation of Hawaii, and a concerned individual commented on this measure.

As recommended by your Committee, this bill:

- (1) Extends the income tax credit for qualified research activities for an additional five years;
- (2) Repeals existing certification requirements for qualified high technology businesses that qualify for the income tax credit for qualified research activities;
- (3) Establishes reporting requirements for high technology businesses to enable DOTAX to measure the effectiveness of the tax credit;
- (4) Establishes a \$2,000 per month penalty for any qualified high technology business that fails to file its annual survey with the Director of Taxation by the due date;
- (5) Deletes the exception to base amounts in relation to the tax credit for increasing research activities so that the base amount will now need to be calculated and the tax credit will be based on that amount;
- (6) Clarifies that a qualified high technology business is prohibited from claiming the tax credit for research activities until it has filed the required annual survey;
- (7) Changes the definition of a qualified high technology business for purposes of the state tax credit for research activities from a business that would qualify for the high technology business investment tax credit to a business that simply conducts more than fifty percent of its activities in qualified research;
- (8) Stipulates that Manoa Innovation Center, currently under the control of UH at Manoa, shall be leased to HTDC for a term of not less than 35 years; and
- (9) Specifies a July 1, 2030, effective date to facilitate continued 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. 753, 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. 753, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1587 Finance on S.B. No. 1154**

The purpose of this bill is to preserve the culturally and historically rich area of South Kona on the island of Hawaii by establishing the South Kona Wilderness Area to be administered by the Department of Land and Natural Resources (DLNR).

A concerned individual supported this bill. The Department of the Attorney General, The Resort Group, and Land Use Research Foundation of Hawaii opposed this bill. DLNR 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. 1154, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1588 Finance on S.B. No. 883**

The purpose of this bill is to show appreciation for the military and its family members by designating a new special design Gold Star Family license plate for children, parents, grandparents, spouses, and siblings of fallen soldiers.

The City and County of Honolulu Department of Customer Services and several concerned individuals supported this measure. The Office of Veterans' Services offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1589 Finance on S.B. No. 244**

The purpose of this bill is to help increase the University of Hawaii's (UH) accountability for meeting the educational needs of the State by requiring the UH Board of Regents to:

- (1) Periodically review the priority guidelines for quality education and recommend amendments to the Legislature;
- (2) Develop a functional plan that includes strategic goals, outcomes, and performance indicators; and
- (3) Report biennially to the Legislature.

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 S.B. No. 244, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 1590 Finance on S.B. No. 243**

The purpose of this bill is to help improve the return rates of Hawaii residents who receive state support to study in certain professional programs that are not provided in the State through the University of Hawaii system by providing the Hawaii Western Interstate Commission for Higher Education (WICHE) with the authority to establish a repayment policy for students who receive support through the WICHE Professional Student Exchange Program. This bill also more clearly delineates the Hawaii WICHE and establishes a special fund to facilitate the repayment program.

The Department of Budget and Finance and WICHE Commissioners provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, 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. 243, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 243, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1591 Finance on S.B. No. 806**

The purpose of this bill is to enhance teacher standards by, among other things:

- (1) Allowing teachers and educational officers who are members of the Hawaii Teacher Standards Board (Board) and retire during a term to serve the remainder of their term up to three consecutive three-year terms;
- (2) Adding timely payment of applicable fees to the requirements for license renewal;
- (3) Extending the term of a renewable advanced license from five to ten years; and
- (4) Authorizing the Board to develop criteria for a full career and technical education license to allow for those with appropriate industry experience who meet certain criteria to teach; and
- (5) Providing that teacher education programs approved by the Board be nationally-accredited by a teacher education accrediting body approved by the Board and the federal Department of Education.

The Department of Education and the Hawaii Teacher Standards Board supported this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2030, 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. 806, 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. 806, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1592 Finance on S.B. No. 23**

The purpose of this bill is to:

- (1) Create the 'aha kiole council within the Department of Land and Natural Resources (DLNR) to serve in an advisory capacity to the Governor and the Legislature on issues related to land and natural resource management through the 'aha moku system; and

- (2) Require the ‘aha kiolo council to submit an annual report to the Governor and the Legislature that includes a list of all recommendations made by the ‘aha kiolo council and resulting actions taken by state and county agencies over the course of the year prior to the convening of each regular session.

The ‘Aha Kiolo Advisory Committee and Maunaloa Hawaiian Civic Club supported this measure. DLNR, the Office of Hawaiian Affairs, and several individuals commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the name of the "‘aha kiolo council" to "‘aha kiolo advisory council" to reflect its advisory capacity, and thereby authorizing, rather than requiring, the ‘aha kiolo advisory council to:
  - (A) Serve in an advisory capacity to the Office of the Board of Land and Natural Resources (BLNR) Chairperson;
  - (B) Advise the Office of the BLNR Chairperson on issues related to land and natural resource management through the ‘aha moku system; and
  - (C) Carry out the other advisory responsibilities that are specified in the bill;
- (2) Deleting the authority of the ‘aha kiolo advisory council to select an executive director;
- (3) Making it discretionary for ‘aha kiolo advisory council members to be reimbursed for necessary expenses, including travel expenses, incurred while attending meetings approved in advance by the Office of the BLNR Chairperson;
- (4) Specifying that the annual report by the ‘aha kiolo advisory council shall:
  - (A) Be in English and Hawaiian and submitted to the Office of the BLNR Chairperson and the Legislature; and
  - (B) Include the resulting action taken by DLNR over the course of the year;
- (5) Appropriating funds for reimbursement of necessary expenses incurred by members while attending meetings;
- (6) Changing its effective date to July 1, 2030, to facilitate continued discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 23, 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. 23, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Har, Morikawa and Tokioka.

**SCRep. 1593 Finance on S.B. No. 2**

The purpose of this bill is to more accurately and efficiently manage public land trust lands in accordance with the requirements of the Hawaii State Constitution and the Admission Act by requiring the Department of Land and Natural Resources (DLNR) to initiate and coordinate all efforts to establish a public land trust information system, including, among other things, a determination of the type of information about each parcel of land to be included.

This measure also appropriates an unspecified amount for the establishment and maintenance of a computerized, comprehensive statewide public land trust inventory database.

The Aha Kiolo Advisory Committee supported this bill. A concerned individual opposed this measure. DLNR, the Department of the Attorney General, and Office of Hawaiian Affairs provided comments.

Your Committee has amended this bill by:

- (1) Clarifying language in the purpose section;
- (2) Changing its effective date to July 1, 2030, 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. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1594 Finance on S.B. No. 573**

The purpose of this bill is to appropriate funds for the Department of Hawaiian Home Lands (DHHL) to effectively assess and track the programmatic needs of applicants on DHHL's waitlists to determine the amount of future appropriations required by DHHL for various homestead loans, the development of various homestead lots, rehabilitation projects to improve the general welfare of native Hawaiians, and DHHL operations.

DHHL supported this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 573, 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. 573, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1595 Finance on S.B. No. 333**

The purpose of this bill is to expand the uses of the Hawaii Historic Preservation Special Fund and to capitalize on accelerated construction programming proposed by the new administration to assist in the restoration and preservation of such heritage assets as the Bernice Pauahi Bishop Museum, Iolani Palace, Washington Place, and Mauna Ala.

The Department of Land and Natural Resources, Historic Hawaii Foundation, Bishop Museum, Maunalua Hawaiian Civic Club, Aha Kiole Advisory Committee, Association of Hawaiian Civic Clubs, Hawaii Maoli, and a concerned individual supported this bill. The Department of Budget and Finance and Department of Accounting and General Services offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030 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. 333, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 333, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1596 Finance on S.B. No. 986**

The purpose of this bill is to address the issues of disproportionate representation and equity within the criminal justice system by establishing a task force to study and formulate policies and procedures to reduce the unnecessary involvement of individuals, particularly native Hawaiians, with the system.

The Office of Hawaiian Affairs and Association of Hawaiian Civic Clubs supported this bill. The City and County of Honolulu Department of the Prosecuting Attorney, the Judiciary, and Community Alliance on Prisons offered comments.

Your Committee has amended this bill by:

- (1) Inserting the phrase "disproportionate representation of native Hawaiians in the criminal justice system" in place of "disproportionate impact";
- (2) Specifying that the criminalist on the task force will be selected by the Governor from a list of no more than three names submitted by the Senate President and Speaker of the House of Representatives;
- (3) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 986, 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. 986, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1597 Finance on S.B. No. 1290**

The purpose of this bill is to increase the Department of Hawaiian Home Lands' (DHHL) ability to guarantee home mortgage loans to their beneficiaries by increasing the State's liability to an unspecified amount for moneys borrowed by DHHL or loans made to lessee-beneficiaries that are guaranteed by DHHL.

DHHL and the Department of Budget and Finance testified in support of this bill.

Your Committee has amended this bill by:

- (1) Adding a severability clause; and
- (2) Changing its effective date to July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290, 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. 1290, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1598 Finance on S.B. No. 1520**

The purpose of this bill is to recognize native Hawaiians as the only indigenous, aboriginal, maoli people of Hawaii.

A concerned individual supported this bill. Numerous concerned individuals opposed this bill. The Office of Hawaiian Affairs (OHA), Department of Hawaiian Home Lands, and the Attorney General submitted comments.

Your Committee urges OHA to undertake the necessary steps to begin the recognition process for native Hawaiians.

Your Committee has amended this bill by:

- (1) Clarifying its purpose section;
- (2) Changing its effective date to July 1, 2030, 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. 1520, 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. 1520, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Coffman.

**SCRep. 1599 Finance on S.B. No. 1269**

The purpose of this bill is to revise the method of computing Employees' Retirement System (ERS) pension benefits for employees hired after June 30, 2011. Specifically, this bill provides that after June 30, 2011, "compensation", from which an employee's pension benefit is based, shall include:

- (1) The normal periodic payments of money for services performed, and additional payments for any time worked that is required by the employer;
- (2) Shortage differentials;
- (3) Elective salary reduction contributions; and
- (4) Twelve-month differentials for Department of Education employees.

Supportive testimony was received from the Hawaii State Teachers Association. The Honolulu Police Department, State of Hawaii Organization of Police Officers (SHOPO), and a concerned individual opposed this measure. The Department of Budget and Finance, ERS Board of Trustees, and the City and County of Honolulu submitted comments.

It is noteworthy to mention that your Committee did not receive testimony from neighbor island public workers, nor from the Counties of Hawaii, Kauai, or Maui.

After careful consideration, your Committee has amended this bill by:

- (1) Excluding additional or extra payments, including overtime, bonuses, supplementary payments, lump sum salary supplements, allowances, or differentials, not expressly authorized in statute, from the calculation of the pension benefit for employees entering service after June 30, 2011;
- (2) Changing its effective date to June 1, 2011; and



- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, 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. 1269, 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. 1269, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1600 Finance on S.B. No. 1095**

The purpose of this bill, as received by your Committee, is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (13) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (13).

Prior to the public hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. The purpose of the Proposed H.D. 1 is to fund:

- (1) Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (11) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (11);
- (2) All collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit (11); and
- (3) Cost items authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the Proposed H.D. 1;
- (2) Changing its effective date to July 1, 2030, 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. 1095, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1095, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1601 Finance on S.B. No. 1055**

The purpose of this bill, as received by your Committee, is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Unit (2) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (2).

Prior to the public hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. The purpose of the Proposed H.D. 1 is to fund:

- (1) Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in the Executive Branch who are in Collective Bargaining Units (1) and (10) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Units (1) and (10);
- (2) All collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Units (1) and (10); and
- (3) The cost items authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the Proposed H.D. 1;
- (2) Changing its effective date to July 1, 2030, 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. 1055, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1055, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1602 Finance on S.B. No. 1062**

The purpose of this bill, as received by your Committee, is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (8) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (8).

Prior to the public hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. The purpose of the Proposed H.D. 1 is to fund:

- (1) Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (5) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (5);
- (2) All collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit (5); and
- (3) Cost items authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the Proposed H.D. 1;
- (2) Changing its effective date to July 1, 2030, 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. 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.

**SCRep. 1603 Finance on S.B. No. 1061**

The purpose of this bill, as received by your Committee, is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (4) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (4).

Prior to the public hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. The purpose of the Proposed H.D. 1 is to fund:

- (1) Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in collective bargaining units (2), (3), (4), (6), (8), (9), and (13) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Units (2), (3), (4), (6), (8), (9), and (13);
- (2) All collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Units (2), (3), (4), (6), (8), (9), and (13); and
- (3) Cost items authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii Government Employees Association supported this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the Proposed H.D. 1;
- (2) Changing its effective date to July 1, 2030, 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. 1061, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1061, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1604 Finance on S.B. No. 1083**

The purpose of this bill, as received by your Committee, is to appropriate funds for fiscal biennium 2011-2013 for Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (9) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (9).

Prior to the public hearing, your Committee circulated for review and comment and accepted testimony on a Proposed H.D. 1. The purpose of the Proposed H.D. 1 is to fund:

- (1) Hawaii Employer-Union Health Benefits Trust Fund costs for state officers and employees in Collective Bargaining Unit (7) and those officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Unit (7);
- (2) All collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit (7); and
- (3) Cost items authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Department of Budget and Finance provided comments.

Your Committee has amended this bill by adopting the language contained in the Proposed H.D. 1 and:

- (1) Inserting the following funding ceilings for all collective bargaining cost items in the collective bargaining agreement for collective bargaining unit (7) for fiscal year 2012-2013:
  - (A) \$8,557,020 in special funds;
  - (B) \$239,007 in federal funds; and
  - (C) \$35,424 in revolving funds;
- (2) Changing its effective date to July 1, 2030, 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. 1083, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1083, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1605 Human Services on S.B. No. 923**

The purpose of this bill is to promote and support healthy families in Hawaii by:

- (1) Extending the term of office of the members of the Commission on Fatherhood from two to four years; and
- (2) Limiting the number of terms a member may serve on the Commission on Fatherhood to two terms.

The State Commission on Fatherhood and several concerned individuals testified in support of this bill. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 923 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, Wooley, Yamane and Ching.

**SCRep. 1606      Judiciary on H.R. No. 26**

The purpose of this resolution is to urge the Mayor of the City and County of Honolulu and Chairperson of the Honolulu City Council to allow an exemption from parking restrictions under section 15-14.1(2) of the Revised Ordinances of Honolulu (ROH) for residents of the Ho'okea Community to allow them to park their vehicles near their residences.

The Ewa Villages Historical Society and a large number of concerned individuals testified in support of this measure. The City and County of Honolulu Department of Transportation Services opposed this measure.

Your Committee finds the parking restrictions under the ROH pose a significant problem for members of the Ho'okea Community that needs to be addressed. However, your Committee notes that the successful passage of this resolution alone will not change section 15-14.1(a)(2), ROH, and that only action by the Honolulu City Council can actually change the current law.

Your Committee has amended this measure by:

- (1) Clarifying the reference to the pertinent parking ordinance to be section 15-14.1(a)(2), ROH;
- (2) Amending its title to read as follows: "URGING THE MAYOR OF HONOLULU AND THE HONOLULU CITY COUNCIL TO ALLOW AN EXEMPTION FROM SECTION 15-14.1(a)(2) OF THE REVISED ORDINANCES OF HONOLULU TO ALLOW FOR STREET PARKING IN THE COMMUNITY OF HO'OKEA IN EWA VILLAGES"; 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 concurs with the intent and purpose of H.R. No. 26, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 26, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1607      Judiciary on H.C.R. No. 30**

The purpose of this concurrent resolution is to urge the Mayor of the City and County of Honolulu and Chairperson of the Honolulu City Council to allow an exemption from parking restrictions under section 15-14.1(2) of the Revised Ordinances of Honolulu (ROH) for residents of the Ho'okea Community to allow them to park their vehicles near their residences.

The Ewa Villages Historical Society and a large number of concerned individuals testified in support of this measure. The City and County of Honolulu Department of Transportation Services opposed this measure.

Your Committee finds the parking restrictions under the ROH pose a significant problem for members of the Ho'okea Community that needs to be addressed. However, your Committee notes that the successful passage of this concurrent resolution alone will not change section 15-14.1(a)(2), ROH, and that only action by the Honolulu City Council can actually change the current law.

Your Committee has amended this measure by:

- (1) Clarifying the reference to the pertinent parking ordinance to be section 15-14.1(a)(2), ROH;
- (2) Amending its title to read as follows: "URGING THE MAYOR OF HONOLULU AND THE HONOLULU CITY COUNCIL TO ALLOW AN EXEMPTION FROM SECTION 15-14.1(a)(2) OF THE REVISED ORDINANCES OF HONOLULU TO ALLOW FOR STREET PARKING IN THE COMMUNITY OF HO'OKEA IN EWA VILLAGES"; 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 concurs with the intent and purpose of H.C.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 30, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1608      Judiciary on H.R. No. 44**

The purpose of this resolution is to urge Congress to propose an amendment to the United States Constitution for the states' consideration to provide that corporations are not persons under the laws of the United States or any of its jurisdictional subdivisions.

The League of Women Voters of Hawaii and Common Cause Hawaii testified in support of this measure. A concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the United States Supreme Court decision, *Citizens United v. Federal Election Commission*, 130 S.Ct. 876 (2010), allowed corporate expenditures in federal election campaigns versus contributions; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 44, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 44, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1609            Judiciary on H.C.R. No. 51**

The purpose of this concurrent resolution is to urge Congress to propose an amendment to the United States Constitution for the states' consideration to provide that corporations are not persons under the laws of the United States or any of its jurisdictional subdivisions.

The League of Women Voters of Hawaii and Common Cause Hawaii testified in support of this measure. A concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the United States Supreme Court decision, *Citizens United v. Federal Election Commission*, 130 S.Ct. 876 (2010), allowed corporate expenditures in federal election campaigns versus contributions; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 51, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1610            Judiciary on H.R. No. 112**

The purpose of this resolution is to request the Department of the Attorney General to:

- (1) Review existing federal and state laws and agency rules relating to confidentiality, privacy, and privilege and their impact on interagency information sharing;
- (2) Make recommendations to better serve the youth of Hawaii through appropriate and necessary sharing of information involving the youth; and
- (3) Submit findings and recommendations to the Legislature and affected government agencies.

The Department of Education testified in support of this measure. The Department of Human Services 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 Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 112 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1611            Judiciary on H.C.R. No. 132**

The purpose of this concurrent resolution is to request the Department of the Attorney General to:

- (1) Review existing federal and state laws and agency rules relating to confidentiality, privacy, and privilege and their impact on interagency information sharing;
- (2) Make recommendations to better serve the youth of Hawaii through appropriate and necessary sharing of information involving the youth; and
- (3) Submit findings and recommendations to the Legislature and affected government agencies.

The Department of Education testified in support of this measure. The Department of Human Services 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 Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1612            Judiciary on H.R. No. 242**

The purpose of this house resolution is to urge the City and County of Honolulu to provide immunity from liability for neighborhood board members acting in their official capacity or to ensure that neighborhood board members will be adequately defended.

A concerned individual testified in support of this measure. The City and County of Honolulu's Department of the Corporation Counsel 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. 242 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1613          Judiciary on H.C.R. No. 275**

The purpose of this house concurrent resolution is to urge the City and County of Honolulu to provide immunity from liability for neighborhood board members acting in their official capacity or to ensure that neighborhood board members will be adequately defended.

A concerned individual testified in support of this measure. The City and County of Honolulu's Department of the Corporation Counsel 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. 275 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1614          Judiciary on H.R. No. 9**

The purpose of this resolution is to request the Legislature to:

- (1) Encourage women to take active roles in public life, including business and government;
- (2) Provide support for women to fully participate in public life by recognizing the need for educational opportunities and family care;
- (3) Involve women more fully in the policymaking process; and
- (4) Focus on issues shown to be important to women and directly impact the everyday lives of women.

The Patsy T. Mink Political Action Committee, American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, Hawaii State Democratic Women's Caucus, Hawaii Women's Coalition, Hawaii Women's Political Caucus, and several concerned individuals testified in support of this measure.

Your Committee notes the testimony of the Hawaii State Democratic Women's Caucus, which included the 2010 study results of the Patsy T. Mink Political Action Committee. The study indicated that nearly 72 percent of young women in Hawaii feel estranged from the political process and only four percent of the women surveyed felt that their participation in the political process would produce any meaningful result. Your Committee further notes the testimony of the Hawaii State Democratic Women's Caucus that indicated:

- (1) Of the ten-member leadership team in the State House, two are women, and of the nine-member leadership team in the State Senate, four are women; and
- (2) Of the 20 State House standing committees, five are chaired by women, and of the 14 State Senate standing committees, five are chaired by women.

Your Committee believes that having more women in leadership positions in the Legislature will assist in reversing the perceptions of those young women and enhance leadership opportunities for women at large.

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. 9 and recommends its adoption.

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

**SCRep. 1615          Judiciary on H.C.R. No. 5**

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau (LRB) conduct a study on the objectives and implementation of Hawaii's sex offender laws by addressing whether the goals and objectives of the state sex offender laws are being met and whether state sex offender laws are being implemented in the way they were intended.

LRB provided comments on this concurrent resolution.

Your Committee has consulted with LRB and amended this measure by:

- (1) Narrowing the scope of LRB's study to identifying measures that can be used to determine whether the objectives and implementation of Hawaii's sex offender registration laws are being achieved by:

- (A) Researching studies that may have identified ways to measure whether sex offender registration laws have met their goals and objectives;
  - (B) Researching studies that may have established a correlation between the adoption of sex offender registration laws and a reduction in sexual offenses; and
  - (C) Researching measures that may have been used by other jurisdictions to determine whether sex offender registration laws have met their goals and objectives;
- (2) Changing the deadline for LRB to submit its study to the Legislature to October 1, 2011;
- (3) Adding the requirement that the Department of the Attorney General:
- (A) Determine whether Hawaii's sex offender registration laws are being implemented by law enforcement as intended; and
  - (B) Apply the measures identified by LRB to criminal justice data on registered sex offenders and determine whether Hawaii's sex offender registration laws are meeting their goals and objectives;
- (4) Amending its title to read: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY TO IDENTIFY MEASURES USED TO DETERMINE WHETHER SEX OFFENDER REGISTRATION LAWS ARE ACHIEVING THEIR GOALS AND OBJECTIVES AND REQUESTING THE ATTORNEY GENERAL TO APPLY THE IDENTIFIED MEASURES TO CRIMINAL JUSTICE DATA ON REGISTERED SEX OFFENDERS IN HAWAII AND DETERMINE WHETHER HAWAII SEX OFFENDER REGISTRATION LAWS ARE BEING IMPLEMENTED IN THE WAY THEY WERE INTENDED AND ARE MEETING THEIR GOALS AND OBJECTIVES"; 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 concurs with the intent and purpose of H.C.R. No. 5, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 5, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Ito, McKelvey and B. Oshiro.

**SCRep. 1616 Economic Revitalization & Business on H.R. No. 252**

The purpose of this resolution is to request domestic and foreign insurance companies that have issued commercial general liability policies in the State to submit to the Legislature information on the total premiums received for their policies during the past ten years.

Building Industry Association of Hawaii, Hawaii Carpenters Union, Land Use Research Foundation of Hawaii, General Contractors Association of Hawaii, and the Pacific Resources Partnership supported this resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 252 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Evans, Tokioka and Pine.

**SCRep. 1617 Economic Revitalization & Business on H.C.R. No. 285**

The purpose of this concurrent resolution is to request domestic and foreign insurance companies that have issued commercial general liability policies in the State to submit to the Legislature information on the total premiums received for their policies during the past ten years.

Building Industry Association of Hawaii, Hawaii Carpenters Union, Land Use Research Foundation of Hawaii, General Contractors Association of Hawaii, and the Pacific Resources Partnership supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 285 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Evans, Tokioka and Pine.

**SCRep. 1618 Economic Revitalization & Business on H.R. No. 253**

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to establish a task force consisting of representatives from certain state and county agencies to find ways to more effectively enforce state civil and criminal laws applicable to unlicensed contractors.

The Department of Labor and Industrial Relations, DCCA Regulated Industries Complaints Office (RICO), Building Industry Association of Hawaii, The Pacific Resource Partnership, and a concerned individual supported this measure. Complete Construction Services Corp. supported the intent of this measure.

In light of testimony submitted on this matter, your Committee has amended this measure by specifying that the task force consist of two representatives from each of the state and county agencies designated for the task force. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 253, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 253, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Evans, Tokioka and Pine.

**SCRep. 1619 Economic Revitalization & Business on H.C.R. No. 286**

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs (DCCA) to establish a task force consisting of representatives from certain state and county agencies to find ways to more effectively enforce state civil and criminal laws applicable to unlicensed contractors.

The Department of Labor and Industrial Relations, DCCA Regulated Industries Complaints Office (RICO), Building Industry Association of Hawaii, The Pacific Resource Partnership, and a concerned individual supported this measure. Complete Construction Services Corp. supported the intent of this measure.

In light of testimony submitted on this matter, your Committee has amended this measure by specifying that the task force consist of two representatives from each of the state and county agencies designated for the task force. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 286, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 286, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Evans, Tokioka and Pine.

**SCRep. 1620 Human Services on H.R. No. 115**

The purpose of this resolution is to urge the reduction of voting majority of the State Rehabilitation Council on Kauai to allow for quorum. Although the State Rehabilitation Council on Kauai consists of 21 members, voting majority shall be reduced to 10.

For purposes of the public hearing on this resolution, your Committee circulated a proposed H.D. 1 and notified the public that your Committee would be accepting testimony on the proposed H.D. 1 only. The proposed H.D. 1 amended the original draft of this measure, as received by your Committee, by:

- (1) Deleting the contents of H.R. 115 and inserting in its place provisions that:
  - (A) The "N" word should be eliminated from the vocabulary of all people of the State of Hawaii.
  - (B) The "N" word is ranked as "the most offense and inflammatory racial slur in English" by the Merriam-Webster Dictionary. The first documented written use of the "N" word was by slave masters referring to their African slaves.
  - (C) Today, the use of the "N" word in the entertainment business through music, film, and print is undercutting the hard-won progress made by men and women who wants to ensure a better life for the generations of African Americans who followed them.

Upon further consideration, your Committee has chosen not to adopt the proposed draft and, instead amended the resolution by replacing its contents with provisions that:

- (1) All people of the State of Hawaii are urged to continue in following the "Aloha Spirit."
- (2) People who are strengthened by humility, love, respect, and kindness to one another are representation of the "Spirit of Aloha." It is the essence of relationships in which each person is important to every other person for collective existence.

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. 115, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 115, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Jordan and Yamane.

**SCRep. 1621 Human Services on H.C.R. No. 135**

The purpose of this concurrent resolution is to urge the reduction of voting majority of the State Rehabilitation Council on Kauai to allow for quorum. Although the State Rehabilitation Council on Kauai consists of 21 members, voting majority shall be reduced to 10.



For purposes of the public hearing on this concurrent resolution, your Committee circulated a proposed H.D. 1 and notified the public that your Committee would be accepting testimony on the proposed H.D. 1 only. The proposed H.D. 1 amended the original draft of this measure, as received by your Committee, by:

- (1) Deleting the contents of H.C.R. 135 and inserting in its place provisions that:
  - (A) The "N" word should be eliminated from the vocabulary of all people of the State of Hawaii.
  - (B) The "N" word is ranked as "the most offense and inflammatory racial slur in English" by the Merriam-Webster Dictionary. The first documented written use of the "N" word was by slave masters referring to their African slaves.
  - (C) Today, the use of the "N" word in the entertainment business through music, film, and print is undercutting the hard-won progress made by men and women who wants to ensure a better life for the generations of African Americans who followed them.

Your Committee received comments by a concerned individual.

Upon further consideration, your Committee has chosen not to adopt the proposed draft and, instead amended the concurrent resolution by replacing its contents with provisions that:

- (1) All people of the State of Hawaii are urged to continue in following the "Aloha Spirit."
- (2) People who are strengthened by humility, love, respect, and kindness to one another are representation of the "Spirit of Aloha." It is the essence of relationships in which each person is important to every other person for collective existence.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 135, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Jordan and Yamane.

**SCRep. 1622      Housing on H.R. No. 225**

The purpose of this resolution, as received by your Committee, is to request the State Building Code Council to adopt the requirement that certified fire-retardant coatings be applied in new one- and two-family residential dwellings throughout the State after January 1, 2012.

NoFire Technologies, Inc. supported this measure. The City and County of Honolulu Department of Planning and Permitting opposed this measure.

Upon consideration, your Committee has amended this resolution by:

- (1) Amending its title to read: "URGING THE USE OF CERTIFIED FIRE-RETARDANT COATINGS IN NEWLY-CONSTRUCTED ONE- AND TWO-FAMILY RESIDENTIAL DWELLINGS, AND IN CONDOMINIUMS AND OTHER HIGH RISES THAT DO NOT HAVE SPRINKLER SYSTEMS", and make conforming changes to the measure;
- (2) Amending the "BE IT RESOLVED" clause to instead urge the General Contractors Association of Hawaii and the Building Industry Association of Hawaii to use certified fire-retardant coatings in new one- and two-family residential dwellings constructed throughout the State, when appropriate, after January 1, 2012;
- (3) Urging the State Building Code Council to:
  - (A) Require the use of certified fire-retardant coatings in condominiums and other high rises that do not have sprinkler systems installed; and
  - (B) Inform developers and contractors of certified fire-retardant coatings;
- (4) Deleting the Comptroller from receiving a certified copy of this measure;
- (5) Transmitting certified copies of this measure to the President of the General Contractors Association of Hawaii and the President of the Building Industry Association of Hawaii; 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 Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 225, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 225, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Chong, Har, Pine and Thielen.

**SCRep. 1623      Housing on H.C.R. No. 263**

The purpose of this concurrent resolution, as received by your Committee, is to request the State Building Code Council to adopt the requirement that certified fire-retardant coatings be applied in new one- and two-family residential dwellings throughout the State after January 1, 2012.

NoFire Technologies, Inc. supported this measure. The City and County of Honolulu Department of Planning and Permitting opposed this measure.

Upon consideration, your Committee has amended this concurrent resolution by:

- (1) Amending its title to read: "URGING THE USE OF CERTIFIED FIRE-RETARDANT COATINGS IN NEWLY-CONSTRUCTED ONE- AND TWO-FAMILY RESIDENTIAL DWELLINGS, AND IN CONDOMINIUMS AND OTHER HIGH RISES THAT DO NOT HAVE SPRINKLER SYSTEMS", and make conforming changes to the measure;
- (2) Amending the "BE IT RESOLVED" clause to instead urge the General Contractors Association of Hawaii and the Building Industry Association of Hawaii to use certified fire-retardant coatings in new one- and two-family residential dwellings constructed throughout the State, when appropriate, after January 1, 2012;
- (3) Urging the State Building Code Council to:
  - (A) Require the use of certified fire-retardant coatings in condominiums and other high rises that do not have sprinkler systems installed; and
  - (B) Inform developers and contractors of certified fire-retardant coatings;
- (4) Deleting the Comptroller from receiving a certified copy of this measure;
- (5) Transmitting certified copies of this measure to the President of the General Contractors Association of Hawaii and the President of the Building Industry Association of Hawaii; 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 Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 263, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 263, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Chong, Har, Pine and Thielen.

**SCRep. 1624 Human Services on H.C.R. No. 231**

The purpose of this concurrent resolution is to urge the President of the United States to sign the United Nations Convention on the Rights of Persons with Disabilities, as well as to urge the United States Senate to ratify it.

Your Committee received testimony in support of this concurrent resolution from the Disability and Communication Access Board (DCAB) and a concerned individual.

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. 231 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Jordan, C. Lee and Ching.

**SCRep. 1625 Finance on H.R. No. 24**

The purpose of this resolution is to urge the Honolulu City Council to extend historic property tax exemptions to infill homes within the Ewa Villages Historic District.

As affirmed by the record of 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. 24 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1626 Finance on H.C.R. No. 27**

The purpose of this concurrent resolution is to urge the Honolulu City Council to extend historic property tax exemptions to infill homes within the Ewa Villages Historic District.

As affirmed by the record of 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 Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1627 Finance on H.R. No. 29**

The purpose of this resolution is to request a financial and management audit of the Department of Education.

Your committee has amended this resolution by narrowing the focus of the audit to EDN-150 and related services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 29, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1628 Finance on H.C.R. No. 34**

The purpose of this concurrent resolution is to request a financial and management audit of the Department of Education.

Your committee has amended this concurrent resolution by narrowing the focus of the audit to EDN-150 and related services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 34, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1629 Finance on H.R. No. 38**

The purpose of this resolution is to strongly urge the United States Department of the Interior and the United State 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 nations; deem migrants eligible to receive federally funded financial and medical assistance; and provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 38, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1630 Finance on H.C.R. No. 44**

The purpose of this concurrent resolution is to strongly urge the United States Department of the Interior and the United State 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 nations; deem migrants eligible to receive federally funded financial and medical assistance; and provide dialysis and chemotherapy centers in Micronesia and all areas within the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1631 Finance on H.R. No. 39**

The purpose of this resolution is to request the Department of Transportation to conduct a feasibility study relating to safety improvements on Roosevelt Bridge.

As affirmed by the record of 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. 39 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1632 Finance on H.C.R. No. 45**

The purpose of this concurrent resolution is to request the Department of Transportation to conduct a feasibility study relating to safety improvements on Roosevelt Bridge.

As affirmed by the record of 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 Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1633 Finance on H.R. No. 48**

The purpose of this resolution is to request the development and implementation of a pain and palliative care policy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 48 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1634 Finance on H.C.R. No. 55**

The purpose of this concurrent resolution is to request the development and implementation of a pain and palliative care policy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 55 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1635 Finance on H.R. No. 60**

The purpose of this resolution is to request the establishment of a relationship between the State of Hawai'i and the Islands of Oceania.

As affirmed by the record of 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. 60, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1636 Finance on H.C.R. No. 67**

The purpose of this concurrent resolution is to request the establishment of a relationship between the State of Hawai'i and the Islands of Oceania.

As affirmed by the record of 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. 67, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1637 Finance on H.R. No. 76**

The purpose of this resolution is to strongly urge the pest control board to develop standards for pest control operators and termite inspection reports, and to adopt those standards prior to the convening of the 2013 regular session of the Hawaii 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. 76 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1638 Finance on H.C.R. No. 82**

The purpose of this concurrent resolution is to strongly urge the pest control board to develop standards for pest control operators and termite inspection reports, and to adopt those standards prior to the convening of the 2013 regular session of the Hawaii 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. 82 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1639 Finance on H.R. No. 77**

The purpose of this resolution is to request the Department of Agriculture, in cooperation with the University of Hawaii College of Tropical Agriculture and Human Resources, to convene a working group to evaluate the current laws, rules, and standards of practice regarding high risk plants requiring intervention.

As affirmed by the record of 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. 77, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1640 Finance on H.C.R. No. 84**

The purpose of this concurrent resolution is to request the Department of Agriculture, in cooperation with the University of Hawaii College of Tropical Agriculture and Human Resources, to convene a working group to evaluate the current laws, rules, and standards of practice regarding high risk plants requiring intervention.

As affirmed by the record of 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. 84, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1641 Finance on H.R. No. 78**

The purpose of this resolution is to urge the Department of Land and Natural Resources to determine whether lands along the Waipio peninsula and Waipahu shorelines are accreted lands and therefore state property for prospective use as a state park.

As affirmed by the record of 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. 78, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1642 Finance on H.C.R. No. 85**

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources to determine whether lands along the Waipio peninsula and Waipahu shorelines are accreted lands and therefore state property for prospective use as a state park.

As affirmed by the record of 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. 85, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1643 Finance on H.R. No. 91**

The purpose of this resolution is to encourage the Department of Land and Natural Resources and Hawaii Community Development Authority to locate land suitable to construct a motorsports center on the Island of Oahu.

Your Committee amended this resolution by clarifying that the State shall not be responsible for the planning, designing, or construction of a motorsports center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 91, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1644 Finance on H.C.R. No. 100**

The purpose of this concurrent resolution is to encourage the Department of Land and Natural Resources and Hawaii Community Development Authority to locate land suitable to construct a motorsports center on the Island of Oahu.

Your Committee amended this concurrent resolution by clarifying that the State shall not be responsible for the planning, designing, or construction of a motorsports center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 100, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1645 Finance on H.R. No. 92**

The purpose of this resolution is to request a pilot project to study and reduce the morning traffic congestion on the Meheula Parkway going onto the H-2 freeway from Mililani Mauka.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 92 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1646 Finance on H.C.R. No. 101**

The purpose of this concurrent resolution is to request a pilot project to study and reduce the morning traffic congestion on the Meheula Parkway going onto the H-2 freeway from Mililani Mauka.

As affirmed by the record of 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 Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1647          Finance on H.R. No. 95**

The purpose of this resolution is to request the support of the Department of Transportation, in consultation with the Board of Land and Natural Resources, for a study on reducing the sewer and utility line load by repairing an artery to allow traditional water flow to Kalauha‘iha‘i fishpond and Maunaloa Bay.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 95, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1648          Finance on H.C.R. No. 104**

The purpose of this concurrent resolution is to request the support of the Department of Transportation, in consultation with the Board of Land and Natural Resources, for a study on reducing the sewer and utility line load by repairing an artery to allow traditional water flow to Kalauha‘iha‘i fishpond and Maunaloa Bay.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 104, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1649          Finance on H.R. No. 108**

The purpose of this resolution is to request the Governor to ensure that the Chief Procurement Officers comply with the Hawaii Public Procurement Code preferences for Hawaii products to promote growth of the State's agriculture industry and thereby assure food security for Hawaii's citizens.

As affirmed by the record of 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. 108 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1650          Finance on H.C.R. No. 124**

The purpose of this concurrent resolution is to request the Governor to ensure that the Chief Procurement Officers comply with the Hawaii Public Procurement Code preferences for Hawaii products to promote growth of the State's agriculture industry and thereby assure food security for Hawaii's citizens.

As affirmed by the record of 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. 124 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1651          Finance on H.R. No. 117**

The purpose of this resolution is to request the Attorney General to assess the impact of diverting drug possession offenders from the criminal justice system to drug treatment programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1652          Finance on H.C.R. No. 137**

The purpose of this concurrent resolution is to request the Attorney General to assess the impact of diverting drug possession offenders from the criminal justice system to drug treatment programs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1653 Finance on H.R. No. 139**

The purpose of this resolution is to create a task force to establish the Bank of the State of 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. 139 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1654 Finance on H.C.R. No. 159**

The purpose of this concurrent resolution is to create a task force to establish the Bank of the State of 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. 159 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1655 Finance on H.R. No. 142**

The purpose of this resolution is to request the Governor to set aside and transfer sixty acres of land to support the establishment of a West Hawaii multi-purpose and intergenerational Veterans Center.

The Office of Veterans Services, Kauai Veterans Council, Maui County Veterans Council, West Hawaii Veterans Cemetery Development and Expansion Association, Oahu Veterans Council, Hawaii Chapter of the Military Officers Association of America, West Hawaii Veterans Council, and several concerned individuals supported this resolution. 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 concurs with the intent and purpose of H.R. No. 142 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1656 Finance on H.C.R. No. 163**

The purpose of this concurrent resolution is to request the Governor to set aside and transfer sixty acres of land to support the establishment of a West Hawaii multi-purpose and intergenerational Veterans Center.

The Office of Veterans Services, Kauai Veterans Council, Maui County Veterans Council, West Hawaii Veterans Cemetery Development and Expansion Association, Oahu Veterans Council, Hawaii Chapter of the Military Officers Association of America, West Hawaii Veterans Council, and several concerned individuals supported this concurrent resolution. 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 concurs with the intent and purpose of H.C.R. No. 163 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1657 Finance on H.R. No. 144**

The purpose of this resolution is to request the Department of Accounting and General Services to allow state-owned lands to be used by community groups for an open market in Wahiawa.

As affirmed by the record of 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. 144 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1658 Finance on H.C.R. No. 165**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to allow state-owned lands to be used by community groups for an open market in Wahiawa.

As affirmed by the record of 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. 165 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1659 Finance on H.R. No. 157**

The purpose of this resolution is to request application for, granting of, and fiscal support for emergency relief and emergency prevention efforts for the County of Hawaii and the County of Maui in the wake of the March 2011 tsunami.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1660 Finance on H.C.R. No. 183**

The purpose of this concurrent resolution is to request application for, granting of, and fiscal support for emergency relief and emergency prevention efforts for the County of Hawaii and the County of Maui in the wake of the March 2011 tsunami.

As affirmed by the record of 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. 183 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1661 Finance on H.R. No. 158**

The purpose of this resolution is to urge the City and County of Honolulu to construct a crosswalk on upper Aiki Street along Kupuna Loop in Village Park for pedestrian safety.

As affirmed by the record of 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. 158 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1662 Finance on H.C.R. No. 184**

The purpose of this concurrent resolution is to urge the City and County of Honolulu to construct a crosswalk on upper Aiki Street along Kupuna Loop in Village Park for pedestrian safety.

As affirmed by the record of 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 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1663 Finance on H.R. No. 159**

The purpose of this resolution is to urge the City and County of Honolulu to construct a left-turn signal and left-storage lane for motorists traveling on Lumiaina Street and turning onto Kamehameha Highway to ease traffic congestion in Waikele.

As affirmed by the record of 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. 159 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1664 Finance on H.C.R. No. 185**

The purpose of this concurrent resolution is to urge the City and County of Honolulu to construct a left-turn signal and left-storage lane for motorists traveling on Lumiaina Street and turning onto Kamehameha Highway to ease traffic congestion in Waikele.

As affirmed by the record of 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. 185 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1665 Finance on H.R. No. 160**

The purpose of this resolution is to urge the City and County of Honolulu to construct a traffic light signal at the intersection of Honowai and Waipahu Streets in Waipahu to relieve traffic congestion.

As affirmed by the record of 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. 160 and recommends its adoption.



Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1666 Finance on H.C.R. No. 186**

The purpose of this concurrent resolution is to urge the City and County of Honolulu to construct a traffic light signal at the intersection of Honowai and Waipahu Streets in Waipahu to relieve traffic congestion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 186 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1667 Finance on H.R. No. 162**

The purpose of this resolution is to urge the Department of Transportation Services of the City and County of Honolulu to install a four-way stop at the intersection of Managers Drive and Hiapo Street in Waipahu.

As affirmed by the record of 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. 162 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1668 Finance on H.C.R. No. 188**

The purpose of this concurrent resolution is to urge the Department of Transportation Services of the City and County of Honolulu to install a four-way stop at the intersection of Managers Drive and Hiapo Street in Waipahu.

As affirmed by the record of 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. 188 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1669 Finance on H.R. No. 163**

The purpose of this resolution is to urge the Department of Transportation Services of the City and County of Honolulu to conduct a traffic and pedestrian study of the intersection of Mokuola and Hikimoe Streets in Waipahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 163 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1670 Finance on H.C.R. No. 189**

The purpose of this concurrent resolution is to urge the Department of Transportation Services of the City and County of Honolulu to conduct a traffic and pedestrian study of the intersection of Mokuola and Hikimoe Streets in Waipahu.

As affirmed by the record of 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. 189 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1671 Finance on H.R. No. 171**

The purpose of this resolution is to urge the Judiciary to expedite the selection of the site for the Kona Judiciary Complex and consider La'i'opua as a potential site for the complex.

As affirmed by the record of 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. 171 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1672 Finance on H.C.R. No. 198**

The purpose of this concurrent resolution is to urge the Judiciary to expedite the selection of the site for the Kona Judiciary Complex and consider La'i'opua as a potential site for the complex.

As affirmed by the record of 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. 198 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1673          Finance on H.R. No. 176**

The purpose of this resolution is to request the Director of Public Safety to form a task force to initiate the planning and design process to develop a correctional treatment facility to house one thousand to one thousand two hundred inmates on undeveloped Hawaiian home lands on the island of Hawaii, and/or to consider the feasibility of a community-based program at that location.

As affirmed by the record of 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. 176, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1674          Finance on H.C.R. No. 204**

The purpose of this concurrent resolution is to request the Director of Public Safety to form a task force to initiate the planning and design process to develop a correctional treatment facility to house one thousand to one thousand two hundred inmates on undeveloped Hawaiian home lands on the island of Hawaii, and/or to consider the feasibility of a community-based program at that location.

As affirmed by the record of 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. 204, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1675          Finance on H.R. No. 177**

The purpose of this resolution is to request the Department of Health to establish a task force regarding the implementation of Act 1, Session Laws of Hawaii 2011.

The Department of Health, Citizens for Equal Rights, Wedding Officiant Honolulu, and concerned individuals supported this resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 177 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1676          Finance on H.C.R. No. 205**

The purpose of this concurrent resolution is to request the Department of Health to establish a task force regarding the implementation of Act 1, Session Laws of Hawaii 2011.

The Department of Health, Citizens for Equal Rights, Wedding Officiant Honolulu, and concerned individuals supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1677          Finance on H.R. No. 179**

The purpose of this resolution is to request the Department of Public Safety and Department of Accounting and General Services to study the feasibility of establishing a public-private correctional partnership for the construction and operation of prisons in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 179 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1678          Finance on H.C.R. No. 208**

The purpose of this concurrent resolution is to request the Department of Public Safety and Department of Accounting and General Services to study the feasibility of establishing a public-private correctional partnership for the construction and operation of prisons 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. 208 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1679 Finance on H.R. No. 183**

The purpose of this resolution is to encourage the Department of Human Services to consider implementing a computer application for foster youth who are transitioning out of the foster care system.

Upon further consideration, your Committee has amended this resolution by deleting references to a specific vendor.

As affirmed by the record of 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. 183, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 183, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1680 Finance on H.C.R. No. 212**

The purpose of this concurrent resolution is to encourage the Department of Human Services to consider implementing a computer application for foster youth who are transitioning out of the foster care system.

Upon further consideration, your Committee has amended this concurrent resolution by deleting references to a specific vendor.

As affirmed by the record of 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, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 212, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1681 Finance on H.R. No. 190**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on the current law and procedures relating to the disposition of vacation credits for public employees that transfer to another department in the same jurisdiction or to another jurisdiction.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 190, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1682 Finance on H.C.R. No. 219**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the current law and procedures relating to the disposition of vacation credits for public employees that transfer to another department in the same jurisdiction or to another jurisdiction.

As affirmed by the record of 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. 219, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1683 Finance on H.R. No. 195**

The purpose of this resolution is to request the Department of Hawaiian Home Lands to partner with the Office of Hawaiian Affairs, the Department of Agriculture, and other appropriate entities to provide support services to its beneficiaries to encourage successful farming on agricultural and pastoral lands.

As affirmed by the record of 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. 195, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1684 Finance on H.C.R. No. 224**

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands to partner with the Office of Hawaiian Affairs, the Department of Agriculture, and other appropriate entities to provide support services to its beneficiaries to encourage successful farming on agricultural and pastoral lands.

As affirmed by the record of 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, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1685      Finance on H.R. No. 218**

The purpose of this resolution is to request the Tax Review Commission to conduct a study on the projected net loss to Hawaii residents in their federal tax liability that is attributable to the manner in which the state and county governments are currently funded.

As affirmed by the record of 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. 218 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1686      Finance on H.C.R. No. 255**

The purpose of this concurrent resolution is to request the Tax Review Commission to conduct a study on the projected net loss to Hawaii residents in their federal tax liability that is attributable to the manner in which the state and county governments are currently funded.

As affirmed by the record of 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. 255 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1687      Finance on H.R. No. 226**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a study of private boating facilities statewide and determine the feasibility of generating additional revenues from commercial operations occurring at or from these facilities.

The Department of Land and Natural Resources supported this resolution. The Resort Group opposed.

As affirmed by the record of 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. 226 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1688      Finance on H.C.R. No. 264**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to conduct a study of private boating facilities statewide and determine the feasibility of generating additional revenues from commercial operations occurring at or from these facilities.

The Department of Land and Natural Resources supported this concurrent resolution. The Resort Group opposed.

As affirmed by the record of 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. 264 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1689      Finance on H.R. No. 246**

The purpose of this resolution is to request the University of Hawaii at Hilo to seek grant moneys and additional resources for studying the feasibility of incorporating Native Hawaiian plant species in capital improvement projects.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 246 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1690      Finance on H.C.R. No. 279**

The purpose of this concurrent resolution is to request the University of Hawaii at Hilo to seek grant moneys and additional resources for studying the feasibility of incorporating Native Hawaiian plant species in capital improvement projects.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 279 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1691 Finance on H.R. No. 256**

The purpose of this resolution is to request the University of Hawaii at Hilo to search for a site in lower Puna to house a learning center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 256 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1692 Finance on H.C.R. No. 291**

The purpose of this concurrent resolution is to request the University of Hawaii at Hilo to search for a site in lower Puna to house a learning center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 291 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1693 Finance on H.R. No. 280**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism, with input from the Office of Hawaiian Affairs, to examine the feasibility of jointly establishing a Native Hawaiian research, science, and technology park.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 280, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1694 Finance on H.C.R. No. 315**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism, with input from the Office of Hawaiian Affairs, to examine the feasibility of jointly establishing a Native Hawaiian research, science, and technology park.

As affirmed by the record of 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. 315, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1695 Finance on H.R. No. 196**

The purpose of this resolution is to request the Governor's Coordinator on Homelessness to study the feasibility of establishing Kanaka Villages for homeless Native Hawaiians.

As affirmed by the record of 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. 196, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1696 Finance on H.C.R. No. 225**

The purpose of this concurrent resolution is to request the Governor's Coordinator on Homelessness to study the feasibility of establishing Kanaka Villages for homeless Native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1697 Finance on H.R. No. 201**

The purpose of this resolution is to urge the United States Department of Education to accept the nationally recognized act college admission exam results for determining if a school is meeting "No Child Left Behind" compliance.

Upon further consideration, your Committee has amended this resolution to include other nationally recognized exams.

As affirmed by the record of 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. 201, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 201, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1698 Finance on H.C.R. No. 230**

The purpose of this concurrent resolution is to urge the United States Department of Education to accept the nationally recognized ACT college admission exam results for determining if a school is meeting "No Child Left Behind" compliance.

Upon further consideration, your Committee has amended this concurrent resolution to include other nationally recognized exams.

As affirmed by the record of 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. 230, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 230, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1699 Finance on H.R. No. 208**

The purpose of this resolution is to urge the Department of Hawaiian Home Lands to release pastoral and agricultural leases to its beneficiaries.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 208 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1700 Finance on H.C.R. No. 245**

The purpose of this concurrent resolution is to urge the Department of Hawaiian Home Lands to release pastoral and agricultural leases to its beneficiaries.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1701 Finance on H.R. No. 211**

The purpose of this resolution is to urge the Hawaii Sister-State Committee to establish opportunities to develop and foster international relationships.

As affirmed by the record of 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. 211, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1702 Finance on H.C.R. No. 248**

The purpose of this concurrent resolution is to urge the Hawaii Sister-State Committee to establish opportunities to develop and foster international relationships.

As affirmed by the record of 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. 248, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1703 Finance on H.R. No. 217**

The purpose of this resolution is to request the Department of Labor and Industrial Relations and the Department of Human Services to continue to engage in data exchanges in order to verify the eligibility of recipients of Medicaid assistance.

As affirmed by the record of 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. 217, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1704 Finance on H.C.R. No. 254**

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations and the Department of Human Services to continue to engage in data exchanges in order to verify the eligibility of recipients of Medicaid assistance.

As affirmed by the record of 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. 254, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1705 Finance on H.R. No. 63**

The purpose of this resolution is to establish policies for the legislative broadcast program's cablecasts and webcasts of House of Representatives' proceedings.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1706 Finance on H.C.R. No. 23**

The purpose of this concurrent resolution is to establish a Hawaii State Fall Prevention and Early Detection Task Force to develop a statewide approach to reducing falls among older adults.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 23, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1707 Finance on H.C.R. No. 126**

The purpose of this concurrent resolution is to request the Department of Public Safety to determine the feasibility of establishing an earned-time program for Hawaii's non-violent and low-level drug offenders.

As affirmed by the record of 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. 126, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1708 Finance on H.C.R. No. 128**

The purpose of this concurrent resolution is to request the Governor of the State of Hawaii to convene a task force to review policies and procedures for state-funded drug coverage programs and services on the use of rebates, manufacturer payments, incentives, prescription reimbursements, and patients' rights to select a pharmacy provider of their own choice.

Upon further consideration, your Committee has narrowed the focus of the task force to review the policies of the Employer-Union Trust Fund with regard to its implementation of its new prescription drug benefit plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 128, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 128, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1709 Finance on H.C.R. No. 146**

The purpose of this concurrent resolution is to request an audit of the Employer-Union Health Benefits Trust Fund.

As affirmed by the record of 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. 146 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1710 Finance on H.C.R. No. 160**

The purpose of this concurrent resolution is to request the Auditor to conduct a comprehensive audit of all energy efficiency projects conducted by State departments and agencies.

Your Committee heard this concurrent resolution as a proposed draft that would request the Governor to require the reimbursement of the general fund from any non-general fund for the amount of any refundable tax credit under section 235-12.5, HRS, the renewable energy technologies income tax credit.

As affirmed by the record of 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, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 160, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Har, Kawakami, Marumoto, Riviere and Ward.

**SCRep. 1711 Finance on H.C.R. No. 166**

The purpose of this concurrent resolution is to request the Auditor to conduct a study regarding the transfer of non-general funds to the general fund.

The Attorney General supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1712 Finance on H.C.R. No. 167**

The purpose of this concurrent resolution is to request the Department of Agriculture to convene a working group to examine the Federal 2008 Farm Bill Amendment to the Richard B. Russell National School Lunch Act.

As affirmed by the record of 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 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1713 Finance on H.C.R. No. 173**

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources to work with Moanalua Gardens Foundation to execute a memorandum of understanding for the use of Kamananui (Moanalua) Valley for educational and cultural purposes.

As affirmed by the record of 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 Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1714 Finance on H.C.R. No. 196**

The purpose of this concurrent resolution is to request the convening of a task force to develop a quality improvement initiative to reduce elective cesarean sections and induction of labor.

As affirmed by the record of 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. 196 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1715 Finance on H.C.R. No. 238**

The purpose of this concurrent resolution is to request the Department of Health to fully support the development of the shellfish aquaculture industry and implement a statewide classification program for shellfish growing areas.

As affirmed by the record of 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. 238 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Har, Marumoto, Riviere and Ward.

**SCRep. 1716 Finance on H.C.R. No. 294**

The purpose of this concurrent resolution is to encourage discussions to propose recommendations to the Legislature to resolve outstanding differences regarding claims of the Office of Hawaiian Affairs to income and proceeds from the public land trust between November 7, 1978, and July 1, 2008.



As affirmed by the record of 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. 294, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Marumoto and Ward.

**SCRep. 1717 International Affairs on H.R. No. 79**

The purpose of this resolution is to urge the President of the United States and United States Congress to support The Filipino Veterans Family Reunification Act of 2009, or similar legislation, to expedite family reunification for certain Filipino veterans of World War II.

The Adult Residential Care Administrators and two concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 79 and recommends its adoption.

Signed by all members of the Committee except Representatives Choy, Nishimoto and Tokioka.

**SCRep. 1718 International Affairs on H.C.R. No. 86**

The purpose of this concurrent resolution is to urge the President of the United States and United States Congress to support The Filipino Veterans Family Reunification Act of 2009, or similar legislation, to expedite family reunification for certain Filipino veterans of World War II.

The Adult Residential Care Administrators and two concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86 and recommends its adoption.

Signed by all members of the Committee except Representatives Choy, Nishimoto and Tokioka.

**SCRep. 1719 International Affairs on H.R. No. 30**

The purpose of this resolution is to recognize the long standing relationship between Hawaii and the Republic of Turkey by promoting cultural, educational, academic, political, and economic relations.

No testimony was received for this measure.

After initially hearing this measure, your Committee was made aware of some concerns. This measure was recommitted in order to reconsider the matter. Upon further consideration, your Committee has amended this measure by:

- (1) Removing provisions relating to the promotion of academic relations between the people of Hawaii and the Republic of Turkey;
- (2) Amending its title to read: "RECOGNIZING THE CULTURAL, EDUCATIONAL, POLITICAL, AND ECONOMIC RELATIONS BETWEEN THE PEOPLE OF HAWAII AND THE REPUBLIC OF TURKEY";
- (3) Removing provisions relating to the Pacifica Institute;
- (4) Removing the Pacifica Institute and West America Turkic Council from the list of entities to receive certified copies of this measure;
- (5) Stipulating that the Prime Minister of the Republic of Turkey, United States Secretary of State, and Director of Business, Economic Development, and Tourism receive certified copies of this measure; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 30, H.D. 1.

Signed by all members of the Committee except Representative Choy.

**SCRep. 1720 International Affairs on H.C.R. No. 37**

The purpose of this concurrent resolution is to recognize the long standing relationship between Hawaii and the Republic of Turkey by promoting cultural, educational, academic, political, and economic relations.

No testimony was received for this measure.

After initially hearing this measure, your Committee was made aware of some concerns. This measure was recommitted in order to reconsider the matter. Upon further consideration, your Committee has amended this measure by:

- (1) Removing provisions relating to the promotion of academic relations between the people of Hawaii and the Republic of Turkey;

- (2) Amending its title to read: "RECOGNIZING THE CULTURAL, EDUCATIONAL, POLITICAL, AND ECONOMIC RELATIONS BETWEEN THE PEOPLE OF HAWAII AND THE REPUBLIC OF TURKEY";
- (3) Removing provisions relating to the Pacifica Institute;
- (4) Removing the Pacifica Institute and West America Turkic Council from the list of entities to receive certified copies of this measure;
- (5) Stipulating that the Prime Minister of the Republic of Turkey, United States Secretary of State, and Director of Business, Economic Development, and Tourism receive certified copies of this measure; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 37, H.D. 1.

Signed by all members of the Committee except Representative Choy.

**SCRep. 1721 International Affairs on H.R. No. 151**

The purpose of this resolution is to request the Secretary of Foreign Affairs of the United Mexican States to consider establishing a permanent Mexican Consulate in the State of Hawaii to improve consular presence and address the needs of Mexican nationals living in Hawaii.

Several concerned individuals testified in support of this measure. A concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Adding WHEREAS clauses stating that:
  - (A) According to the 2010 Census data and the Pew Hispanic Center, the total population of Latinos in Hawaii is approximately 151,000 of which approximately 65,000 are Mexican;
  - (B) The government of the United Mexican States has 73 embassies around the world and 51 consulates in the United States; and
  - (C) The State of Hawaii benefits in the areas of business, agriculture, tourism, and culture from the presence of the Mexican community, which began in 1830;

and
- (2) Amending the BE IT FURTHER RESOLVED clause by including the President of the United Mexican States and the Honorary Consul of Mexico in Hawaii to the list of persons to receive certified copies of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 151, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 151, H.D. 1.

Signed by all members of the Committee except Representative Choy.

**SCRep. 1722 International Affairs on H.C.R. No. 175**

The purpose of this concurrent resolution is to request the Secretary of Foreign Affairs of the United Mexican States to consider establishing a permanent Mexican Consulate in the State of Hawaii to improve consular presence and address the needs of Mexican nationals living in Hawaii.

Several concerned individuals testified in support of this measure. A concerned individual opposed this measure.

Your Committee has amended this measure by:

- (1) Adding WHEREAS clauses stating that:
  - (A) According to the 2010 Census data and the Pew Hispanic Center, the total population of Latinos in Hawaii is approximately 151,000 of which approximately 65,000 are Mexican;
  - (B) The government of the United Mexican States has 73 embassies around the world and 51 consulates in the United States; and
  - (C) The State of Hawaii benefits in the areas of business, agriculture, tourism, and culture from the presence of the Mexican community, which began in 1830;

and

- (2) Amending the BE IT FURTHER RESOLVED clause by including the President of the United Mexican States and the Honorary Consul of Mexico in Hawaii to the list of persons to receive certified copies of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representative Choy.

**SCRep. 1723 International Affairs on H.R. No. 216**

The purpose of this resolution is to assist Filipino veterans of World War II by urging the President of the United States and the United States Congress to expedite the processing and distribution of all claims for payment to Filipino veterans under the American Recovery and Reinvestment Act of 2009.

Several concerned individuals supported this measure. The Office of Veterans Services supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Including additional language to recognize Filipino veterans who reside in Hawaii and fought in World War II;
- (2) Requesting the Office of Veterans Services to report to the Legislature on the progress made with respect to the requests in this measure;
- (3) Including additional recipients to receive certified copies of the measure; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 216, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 216, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Nishimoto and Tokioka.

**SCRep. 1724 International Affairs on H.C.R. No. 253**

The purpose of this concurrent resolution is to assist Filipino veterans of World War II by urging the President of the United States and the United States Congress to expedite the processing and distribution of all claims for payment to Filipino veterans under the American Recovery and Reinvestment Act of 2009.

Several concerned individuals supported this measure. The Office of Veterans Services supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Including additional language to recognize Filipino veterans who reside in Hawaii and fought in World War II;
- (2) Requesting the Office of Veterans Services to report to the Legislature on the progress made with respect to the requests in this measure;
- (3) Including additional recipients to receive certified copies of the measure; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 253, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 253, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Nishimoto and Tokioka.

**SCRep. 1725 International Affairs/Human Services on H.C.R. No. 232**

The purpose of this concurrent resolution is to express the Legislature's support for the implementation of the human rights recommendations from the 2010 United Nations Universal Periodic Review of the United States of America.

The American Civil Liberties Union of Hawaii supported this measure. A concerned individual opposed this measure.

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

- (1) Rather than supporting the implementation of the human rights recommendations, specifying that the Legislature supports the review and consideration of the human rights recommendations;

- (2) Amending its title to read: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE REVIEW AND CONSIDERATION OF THE HUMAN RIGHTS RECOMMENDATIONS FROM THE 2010 UNITED NATIONS UNIVERSAL PERIODIC REVIEW OF THE UNITED STATES OF AMERICA";
- (3) Specifying that the state Attorney General receive a certified copy of this measure; 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 International Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 232, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 232, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Choy, C. Lee, Nishimoto, Tokioka, Yamane, Ching and Ward.

**SCRep. 1726 International Affairs/Agriculture on H.R. No. 263**

The purpose of this resolution is to urge the Asia-Pacific Economic Cooperation (APEC) to promote, showcase, and offer Hawaii's finest confections filled with locally grown products to the dignitaries of the APEC throughout its conference.

The Department of Agriculture (DOA); the Representative of the 27<sup>th</sup> District; Malie Kai Chocolates, Inc.; Padovani's Chocolates; Manoa Chocolate; Sweet Paradise Chocolatier; and Special Events Hawaii testified in support of this measure.

Your Committees have amended this measure by:

- (1) Broadening the scope of this measure to include all locally grown agricultural products, including tropical flowers and foliage, vegetables, and fruits and value-added products, rather than specifically cacao;
- (2) Requesting DOA to hold a tasting event featuring locally grown products during the APEC conference; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, including deleting "(APEC)" from its title.

As affirmed by the records of votes of the members of your Committees on International Affairs and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 263, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 263, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Evans, McKelvey, Riviere and Ward.

**SCRep. 1727 International Affairs/Agriculture on H.C.R. No. 298**

The purpose of this concurrent resolution is to urge the Asia-Pacific Economic Cooperation (APEC) to promote, showcase, and offer Hawaii's finest confections filled with locally grown products to the dignitaries of the APEC throughout its conference.

The Department of Agriculture (DOA); the Representative of the 27<sup>th</sup> District; Malie Kai Chocolates, Inc.; Padovani's Chocolates; Manoa Chocolate; and Special Events Hawaii testified in support of this measure.

Your Committees have amended this measure by:

- (1) Broadening the scope of this measure to include all locally grown agricultural products, including tropical flowers and foliage, vegetables, and fruits and value-added products, rather than specifically cacao;
- (2) Requesting DOA to hold a tasting event featuring locally grown products during the APEC conference; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, including deleting "(APEC)" from its title.

As affirmed by the records of votes of the members of your Committees on International Affairs and Agriculture 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 its adoption in the form attached hereto as H.C.R. No. 298, H.D. 1.

Signed by all members of the Committee except Representatives Choy, Evans, McKelvey, Riviere and Ward.

**SCRep. 1728 International Affairs/Economic Revitalization & Business on H.R. No. 251**

The purpose of this resolution is to request the Governor to establish a sister-state relationship between Hawaii and the province of Lima, Peru.

The Department of Business, Economic Development, and Tourism provided comments on this measure.

Your Committees have amended this measure by:

- (1) Specifying that the Governor is requested to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and the province of Lima, Peru;

- (2) Amending its title to read: "REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE BETWEEN HAWAII AND THE PROVINCE OF LIMA, PERU";
- (3) Including the Ambassador of the Embassy of Peru in Washington, D.C., Honorary Consul of Peru in Hawaii, and Chairperson of the Hawaii Sister-State Committee to the list of persons to receive certified copies of this resolution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 251, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 251, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1729 International Affairs/Economic Revitalization & Business on H.C.R. No. 284**

The purpose of this concurrent resolution is to request the Governor to establish a sister-state relationship between Hawaii and the province of Lima, Peru.

The Department of Business, Economic Development, and Tourism provided comments on this measure.

Your Committees have amended this measure by:

- (1) Specifying that the Governor is requested to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and the province of Lima, Peru;
- (2) Amending its title to read: "REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE BETWEEN HAWAII AND THE PROVINCE OF LIMA, PERU";
- (3) Including the Ambassador of the Embassy of Peru in Washington, D.C., Honorary Consul of Peru in Hawaii, and Chairperson of the Hawaii Sister-State Committee to the list of persons to receive certified copies of this concurrent resolution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 284, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 284, H.D. 1.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1730 International Affairs/Economic Revitalization & Business on H.R. No. 129**

The purpose of this resolution is to request the Governor to take action to establish a sister-state relationship between Hawaii and Queensland, Australia for economic, cultural, and intellectual benefits.

The Department of Business, Economic Development, and Tourism provided comments.

Your Committees note that comments were made regarding whether the sister-state relationship should be established for social rather than intellectual benefits.

Your Committees have amended this measure by:

- (1) Specifying that the Governor is requested to take action to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and Queensland, Australia for economic, cultural, and intellectual benefits;
- (2) Amending its title to read: "REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE WITH QUEENSLAND, AUSTRALIA FOR ECONOMIC, CULTURAL, AND INTELLECTUAL BENEFITS";
- (3) Specifying that the Governor and Hawaii Sister-State Committee are requested to keep this body fully informed of the process in establishing the relationship and to be involved in its formalization; 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 International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 129, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 129, H.D. 1.

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

**SCRep. 1731 International Affairs/Economic Revitalization & Business on H.C.R. No. 148**

The purpose of this concurrent resolution is to request the Governor to take action to establish a sister-state relationship between Hawaii and Queensland, Australia for economic, cultural, and intellectual benefits.

A concerned individual testified in support of this measure. The Department of Business, Economic Development, and Tourism provided comments.

Your Committees note that comments were made regarding whether the sister-state relationship should be established for social rather than intellectual benefits.

Your Committees have amended this measure by:

- (1) Specifying that the Governor is requested to take action to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and Queensland, Australia for economic, cultural, and intellectual benefits;
- (2) Amending its title to read: "REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE WITH QUEENSLAND, AUSTRALIA FOR ECONOMIC, CULTURAL, AND INTELLECTUAL BENEFITS";
- (3) Specifying that the Governor and Hawaii Sister-State Committee are requested to keep the Legislature fully informed of the process in establishing the relationship and to be involved in its formalization; 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 International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 148, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 148, H.D. 1.

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

**SCRep. 1732 International Affairs/Economic Revitalization & Business on H.R. No. 130**

The purpose of this resolution is to request the Governor to set up a task force within the Department of Business, Economic Development, and Tourism (DBEDT) to establish a sister-state relationship between Hawaii and the Maritime Province, Russia for economic, cultural, security, and intellectual benefits.

The Honorary Consul General of the Russian Federation in Hawaii and a concerned individual testified in support of this measure. DBEDT provided comments.

Your Committees have amended this measure by:

- (1) Requesting the Governor to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and the Maritime Province, Russia rather than requesting the Governor to set up a task force within DBEDT to establish the sister-state relationship;
- (2) Removing provisions relating to the task force;
- (3) Specifying that in addition to the Governor, the Hawaii Sister-State Committee is requested to keep this body fully informed of the process in establishing these relationships and to be involved in its formalization;
- (4) Amending its title to read: "REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE WITH THE MARITIME PROVINCE, RUSSIA, FOR ECONOMIC, CULTURAL, SECURITY, AND INTELLECTUAL BENEFITS"; 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 International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 130, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 130, H.D. 1.

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

**SCRep. 1733 International Affairs/Economic Revitalization & Business on H.C.R. No. 149**

The purpose of this concurrent resolution is to request the Governor to set up a task force within the Department of Business, Economic Development, and Tourism (DBEDT) to establish a sister-state relationship between Hawaii and the Maritime Province, Russia for economic, cultural, security, and intellectual benefits.

The Honorary Consul General of the Russian Federation in Hawaii and a concerned individual testified in support of this measure. DBEDT provided comments.

Your Committees have amended this measure by:

- (1) Requesting the Governor to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and the Maritime Province, Russia rather than requesting the Governor to set up a task force within DBEDT to establish the sister-state relationship;
- (2) Removing provisions relating to the task force;
- (3) Specifying that in addition to the Governor, the Hawaii Sister-State Committee is requested to keep the Legislature fully informed of the process in establishing these relationships and to be involved in its formalization;
- (4) Amending its title to read: "REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE WITH THE MARITIME PROVINCE, RUSSIA, FOR ECONOMIC, CULTURAL, SECURITY, AND INTELLECTUAL BENEFITS"; 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 International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 149, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 149, H.D. 1.

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

**SCRep. 1734 International Affairs/Economic Revitalization & Business on H.R. No. 212**

The purpose of this resolution is to request the Governor to establish a sister-state relationship between Hawaii and the province of Marrakesh of the Kingdom of Morocco.

The Department of Business, Economic Development, and Tourism provided comments.

Your Committees have amended this measure by:

- (1) Specifying that the Governor is authorized and requested to take all necessary actions to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco, rather than requesting the Governor to establish a sister-state relationship between Hawaii and the province of Marrakesh of the Kingdom of Morocco;
- (2) Amending its title to read: "AUTHORIZING AND REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE BETWEEN THE STATE OF HAWAII OF THE UNITED STATES AND THE STATE OF RABAT-SALÉ-ZEMMOUR-ZAËR OF THE KINGDOM OF MOROCCO";
- (3) Amending the WHEREAS and RESOLVED clauses to conform to the newly designated sister-state relationship between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco;
- (4) Specifying that the purpose of the establishment of the sister-state relationship between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco is for economic, social, governmental, educational, and cultural exchange;
- (5) Adding provisions that request the:
  - (A) Governor and the Hawaii Sister-State Committee to report to the Legislature on the progress made with respect to this measure no later than 20 days before the convening of the Regular Session of 2012;
  - (B) United States Secretary of State and the Embassy in Rabat to assist in the matters proposed by this measure; and
  - (C) Business community of Hawaii to assist in the matters proposed by this measure, as in all matters concerning sister-state relations;
- (6) Including the King of Morocco, Prime Minister of the Kingdom of Morocco, United States Ambassador-designee to the Kingdom of Morocco, Moroccan Ambassador to the United States, Congressional delegation from Hawaii, Governor of the state of Rabat-Salé-Zemmour-Zaër, Chairperson of the Hawaii Sister-State Committee, President of the University of Hawaii, and President and Chief Executive Officer of the Chamber of Commerce of Hawaii to the list of persons to receive a certified copy of this measure;
- (7) Removing the Governor of the Province of Marrakesh from the list of persons to receive a certified copy of this measure; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 212, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 212, H.D. 1.

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

**SCRep. 1735 International Affairs/Economic Revitalization & Business on H.C.R. No. 249**

The purpose of this concurrent resolution is to request the Governor to establish a sister-state relationship between Hawaii and the province of Marrakesh of the Kingdom of Morocco.

The Honorary Consul of Morocco, Honolulu, Hawaii; Friends of Maroc; and several concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism provided comments.

Your Committees have amended this measure by:

- (1) Specifying that the Governor is authorized and requested to take all necessary actions to establish a sister-state relationship through the Hawaii Sister-State Committee between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco, rather than requesting the Governor to establish a sister-state relationship between Hawaii and the province of Marrakesh of the Kingdom of Morocco;
- (2) Amending its title to read: "AUTHORIZING AND REQUESTING THE GOVERNOR TO ESTABLISH A SISTER-STATE RELATIONSHIP THROUGH THE HAWAII SISTER-STATE COMMITTEE BETWEEN THE STATE OF HAWAII OF THE UNITED STATES AND THE STATE OF RABAT-SALÉ-ZEMMOUR-ZAËR OF THE KINGDOM OF MOROCCO";
- (3) Amending the WHEREAS and RESOLVED clauses to conform to the newly designated sister-state relationship between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco;
- (4) Specifying that the purpose of the establishment of the sister-state relationship between Hawaii and the state of Rabat-Salé-Zemmour-Zaër, Kingdom of Morocco is for economic, social, governmental, educational, and cultural exchange;
- (5) Adding provisions that request the:
  - (A) Governor and the Hawaii Sister-State Committee to report to the Legislature on the progress made with respect to this measure no later than 20 days before the convening of the Regular Session of 2012;
  - (B) United States Secretary of State and the Embassy in Rabat to assist in the matters proposed by this measure; and
  - (C) Business community of Hawaii to assist in the matters proposed by this measure, as in all matters concerning sister-state relations;
- (6) Including the King of Morocco, Prime Minister of the Kingdom of Morocco, United States Ambassador-designee to the Kingdom of Morocco, Moroccan Ambassador to the United States, Congressional delegation from Hawaii, Governor of the state of Rabat-Salé-Zemmour-Zaër, Chairperson of the Hawaii Sister-State Committee, President of the University of Hawaii, and President and Chief Executive Officer of the Chamber of Commerce of Hawaii to the list of persons to receive a certified copy of this measure;
- (7) Removing the Governor of the Province of Marrakesh from the list of persons to receive a certified copy of this measure; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 249, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 249, H.D. 1.

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

**SCRep. 1736 International Affairs/Economic Revitalization & Business on H.R. No. 132**

The purpose of this resolution is to promote and support the development of the Asia-focused fund management industry in the State and acknowledge the benefits that the development of the fund management industry would bring to the State.

The AKAMAI Foundation testified in support of this measure.

Your Committees have amended this measure by:

- (1) Adding WHEREAS clauses that:
  - (A) The AKAMAI Foundation encourages partnering industry, academia, and the public sector to enhance finance-related economic and educational opportunities for Hawaii;
  - (B) The AKAMAI Foundation supports the AKAMAI Finance Academy, which is unique to the State of Hawaii and provides high school and college students with the necessary skills to compete for exclusive careers in the fund management industry; and



- (C) Upon completion of the AKAMAI Finance Academy program, graduates leave job-ready to compete in an Asia-focused fund management market;
- (2) Specifying that this body supports the development of the Asia-focused fund management industry in the State through the AKAMAI Foundation and other incentives;
- (3) Amending its title to read: "PROMOTING AND SUPPORTING THE DEVELOPMENT OF THE FUND MANAGEMENT INDUSTRY IN HAWAII THROUGH THE AKAMAI FOUNDATION AND OTHER INCENTIVES";
- (4) Specifying that the Hawaii Strategic Development Corporation, rather than the Department of Business, Economic Development, and Tourism, is requested to:
  - (A) Establish a task force to formulate strategies for the development of an Asia-focused fund management industry in the State; and
  - (B) Report its findings and recommendations to the Legislature no later than 30 days before the convening of the 2012 Regular Session;
 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 International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 132, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 132, H.D. 1.

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

**SCRep. 1737 International Affairs/Economic Revitalization & Business on H.C.R. No. 151**

The purpose of this concurrent resolution is to promote and support the development of the Asia-focused fund management industry in the State and acknowledge the benefits that the development of the fund management industry would bring to the State.

The AKAMAI Foundation testified in support of this measure.

Your Committees have amended this measure by:

- (1) Adding WHEREAS clauses that:
  - (A) The AKAMAI Foundation encourages partnering industry, academia, and the public sector to enhance finance-related economic and educational opportunities for Hawaii;
  - (B) The AKAMAI Foundation supports the AKAMAI Finance Academy, which is unique to the State of Hawaii and provides high school and college students with the necessary skills to compete for exclusive careers in the fund management industry; and
  - (C) Upon completion of the AKAMAI Finance Academy program, graduates leave job-ready to compete in an Asia-focused fund management market;
- (2) Specifying that the Legislature supports the development of the Asia-focused fund management industry in the State through the AKAMAI Foundation and other incentives;
- (3) Amending its title to read: "PROMOTING AND SUPPORTING THE DEVELOPMENT OF THE FUND MANAGEMENT INDUSTRY IN HAWAII THROUGH THE AKAMAI FOUNDATION AND OTHER INCENTIVES";
- (4) Specifying that the Hawaii Strategic Development Corporation, rather than the Department of Business, Economic Development, and Tourism, is requested to:
  - (A) Establish a task force to formulate strategies for the development of an Asia-focused fund management industry in the State; and
  - (B) Report its findings and recommendations to the Legislature no later than 30 days before the convening of the 2012 Regular Session;
 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 International Affairs and Economic Revitalization & Business that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 151, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 151, H.D. 1.

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

**SCRep. 1738 Human Services on S.C.R. No. 150**

The purpose of this concurrent resolution is to support the Community Services Block Grant Program and oppose cutting the budget to this program by fifty percent as proposed by the United States President and the United States Congress.

The Office of Community Services within the Department of Labor and Industrial Relations, Honolulu Community Action Program, Inc (HCAP), Catholic Charities Hawaii, and Kauai Economic Opportunity, Inc. (KEO) submitted testimony in support of this concurrent resolution. A concerned individual 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 S.C.R. No. 150, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Jordan, C. Lee and Ching.

**SCRep. 1739 Human Services/Health on S.C.R. No. 48**

The purpose of this concurrent resolution is to urge Congress to support federal legislation prohibiting health insurers from denying healthcare coverage to domestic violence victims based on their position that domestic violence is a pre-existing condition.

Your Committees received testimony in support of this concurrent resolution from the American Civil Liberties Union of Hawaii and Papa Ola Lokahi, the Native Hawaiian Health Board.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 48 and recommend that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Jordan, C. Lee and Ching.

**SCRep. 1740 International Affairs on H.R. No. 175**

The purpose of this resolution is to recognize the severity of the crisis being experienced by the people of Japan in light of the recent earthquake and tsunami by preparing a joint letter by the majority and minority leaders of the Hawaii State Legislature together with the Governor of Hawaii and sending the letter to the Prime Minister of Japan to express the:

- (1) Condolences of the people of Hawaii for the recent catastrophic events; and
- (2) Determination of the people of Hawaii to support and help the people of Japan.

This resolution also requested:

- (1) That the Department of Health (DOH) and Department of Human Services (DHS) coordinate with the Hawaii Red Cross, Salvation Army, local churches, and charities to send basic necessities such as clothing, blankets, non-perishable food, and medical supplies to Japan; and
- (2) DOH and DHS to coordinate and organize a group of Hawaii mental-health professionals to travel to Japan to provide mental-health services to the Japanese people during this period of stress and bereavement.

A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Amending its title to read: "RECOGNIZING THE SEVERITY OF THE CRISIS BEING EXPERIENCED BY THE PEOPLE OF JAPAN WITH THE RECENT EVENTS OF AN EARTHQUAKE AND TSUNAMI AND SUPPORTING THE EFFORTS OF ORGANIZATIONS WITHIN HAWAII TO ASSIST THE PEOPLE OF JAPAN";
- (2) Requesting that the local chapters of the Red Cross and Salvation Army, local churches, and charities continue to assist where possible by sending basic necessities to Japan, without the involvement of DOH and DHS;
- (3) Removing the provisions specifying that DOH and DHS coordinate and organize a group of Hawaii mental-health professionals to travel to Japan to provide mental-health services to the Japanese people during this period of stress and bereavement;
- (4) Removing the Director of Health and Director of Human Services from the list of persons and entities to whom a certified copy of this measure will be transmitted;
- (5) Replacing the phrase "Japanese people" with the phrase "people of Japan" throughout this measure; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 175, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representative Choy.

**SCRep. 1741 Consumer Protection & Commerce on S.C.R. No. 134**

The purpose and intent of this measure is to request the Department of Commerce and Consumer Affairs to convene a working group to investigate the creation of a Hawaii-based stock exchange.

Your Committee received testimony in support of this measure from Commonwealth Group, Inc., Social Venture Exchange, Maui Venture Consulting LLC, Mission Markets, Inc., and three concerned individuals.

Your Committee finds that Hawaii businesses have a difficult time finding investment capital. A Hawaii-based stock exchange will be able to connect local businesses with capital investments to strengthen Hawaii's economy. Your Committee believes that a working group will be able to determine whether the creation of a Hawaii-based stock exchange is feasible.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Luke, McKelvey, B. Oshiro, Ching and Thielen.

**SCRep. 1742 Housing on S.C.R. No. 44**

The purpose of this concurrent resolution is to have the Legislature support and encourage further implementation of Housing First programs and services as a key strategy in ending chronic homelessness of the most vulnerable individuals in the State.

The Department of Human Services, Catholic Charities Hawai'i, and Safe Haven/Mental Health Kokua Project supported this measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting legislative support for further implementation of Housing First programs and services as soon as possible; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style and to eliminate redundancies.

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. 44, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 44, S.D. 1, H.D. 1.

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

**SCRep. 1743 Energy & Environmental Protection on S.C.R. No. 85**

The purpose and intent of this measure is to request the Auditor of the State of Hawaii to conduct an audit of the State's program of geothermal leasing and royalty payments made to Puna Geothermal Venture, including any consideration of the role of the Board of Land and Natural Resources and the Department of Business, Economic Development, and Tourism, and any other matters the Auditor deems relevant to the audit to ensure that the development of geothermal resources proceeds fairly, legally, and ethically. The results of this audit, including findings and recommendations, are to be reported to the Legislature no later than twenty days before the convening of the Regular Session of 2012.

Your Committee received testimony in opposition from Puna Geothermal Venture. Your Committee received written comments from the Department of Land and Natural Resources.

Your Committee recommends that this measure pass without amendments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Har, Herkes and Riviere.

**SCRep. 1744 Human Services on S.C.R. No. 53**

The purpose of this concurrent resolution is to urge the United States to provide additional aide to the State of Hawaii for the provision of various state services to migrants from the Compact of Free Association Nations.

Your Committee received testimony in support of this concurrent resolution from the Department of Human Services, Department of Education, Department of Labor and Industrial Relations, Healthcare Association of Hawaii, Papa Ola Lokahi, and an individual.

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. 53, S.D. 1, and recommends its adoption.

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

**SCRep. 1745 Legislative Management on S.C.R. No. 127**

The purpose of this Concurrent Resolution is to improve government efficiency and effectiveness by requesting the Health Committee Chairs in the Senate and House of Representatives to convene a working group during the interim between the Regular Sessions of 2011 and 2012 to:

- (1) Evaluate whether:
  - (A) The State Health Planning and Development Agency (SHPDA) is subject to Chapter 92, Hawaii Revised Statutes (HRS), also known as Hawaii's Sunshine Law;
  - (B) The State Health Services and Facilities Plan is an agency rule that is subject to Chapter 91, HRS; and
  - (C) The preparation of the State Health Services and Facilities Plan or any amendments thereto are required to go through the public hearing process in conformance with Chapters 91 and 92, HRS;

and
- (2) Recommend ways to improve SHPDA's efficiency as it determines certificates of need.

The National Kidney Foundation of Hawaii, Maui Dialysis Clinic, and several concerned individuals testified in support of this measure. Kaiser Permanente Hawaii and a concerned individual supported the intent of this measure. The State Health Planning and Development Agency testified in opposition to 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. 127, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1746 Finance on S.C.R. No. 28**

The purpose of this concurrent resolution is to request the establishment of a prompt payment task force to examine and resolve issues that prevent state agencies from making prompt payment for goods and services purchased through nonprofit organizations.

Your committee received testimony in support of this measure from the Hawaii Alliance of Nonprofit Organizations, and Goodwill.

As affirmed by the record of 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. 28, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Cullen and Tokioka.

**SCRep. 1747 Finance on S.C.R. No. 134**

The purpose of this concurrent resolution is to request the convening of a working group to investigate the creation of a locally-focused, Hawaii-based stock exchange.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 134, S.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1748 Finance on S.C.R. No. 159**

The purpose of this concurrent resolution is to urge the Department of Hawaiian Homelands to release pastoral and agricultural leases to its beneficiaries and report statistical data related to implementation of Article XII, Section 1 of the Hawaii State Constitution.

Your committee received testimony in support of this measure from the Department of Hawaiian Home Lands.

As affirmed by the records of 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. 159, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1749 Finance on S.C.R. No. 124**

The purpose of this concurrent resolution is to urge the convening of task forces to develop community benefits packages for the neighborhoods located nearest to landfills.

Your committee received testimony in opposition from PVT Land Company, and the Resort Group offered comments.

Your committee has amended this concurrent resolution by:

- (1) Requiring the task forces to conduct a feasibility study on developing community benefits packages for neighborhoods and community health centers located closest to landfills;
- (2) Removing language relating to non-municipal solid waste being improperly deposited at landfills;
- (3) Removing language requesting the task forces to consider certain funding mechanisms to support community health centers located closest to landfills; and
- (4) Removing language that requests the task force to consider reducing or eliminating property taxes for homeowners who reside nearest the landfills.

As affirmed by the record of 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. 124, S.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 124, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Cullen and Tokioka.

**SCRep. 1750 Finance on S.C.R. No. 2**

The purpose of this concurrent resolution is to authorize the issuance of a non-exclusive easement covering a portion of state submerged lands pursuant to section 171-53, Hawaii Revised Statutes, relating to reclamation and disposition of submerged or reclaimed public land.

Your committee received testimony in support of this measure from the Department of Land and Natural Resources, and six 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 S.C.R. No. 2, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Cullen, Tokioka and Yamashita.

**SCRep. 1751 Culture & the Arts on H.R. No. 197**

The purpose of this measure is to request each of the counties to adopt ordinances identifying and protecting culturally valuable sites.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs, Ahahui Siwila Hawaii O Kapolei, and the Kupuna Council of Upper Waiehu.

Your Committee finds that there are certain valuable lands throughout the State that warrant special protection, including native Hawaiian gathering areas, areas where native Hawaiian agricultural uses are perpetuated, ancient grave sites, and lands where native Hawaiian activities are practiced. This measure would help ensure that culturally valuable sites are identified and protected.

Your Committee has amended this measure by:

- (1) Adding "ancient grave sites with iwi" to the list of examples of culturally valuable lands; and
- (2) Requesting the counties to activate and enforce existing ordinances, in addition to adopting new ordinances.

As affirmed by the record of votes of the members of your Committee on Culture & the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 197, 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. 197, H.D. 1.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1752 Hawaiian Affairs/Culture & the Arts on S.C.R. No. 55**

The purpose of this Concurrent Resolution is to request the Governor to support legislation that redesignates the second Monday in October as Indigenous Peoples Day.

Ka Pakaukau, the Association of Hawaiian Civic Clubs, Ke Aupuni O Hawaii – The Hawaiian Kingdom, and numerous concerned individuals testified in support of this measure. A concerned individual testified in opposition to this measure.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Culture & the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 55, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Jordan, Yamane, Pine and Ward.

**SCRep. 1753 Water, Land, & Ocean Resources on H.R. No. 149**

The purpose of this resolution is to urge the City and County of Honolulu to complete the implementation of the Salt Lake District Park Master Plan.

This resolution also requested that the City and County of Honolulu report its progress to the Legislature no later than 20 days prior to the convening of the Regular Session of 2012.

A concerned individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, & Ocean Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 149 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Carroll, Chong and Riviere.

**SCRep. 1754 Education on S.C.R. No. 79**

The purpose of this concurrent resolution is to improve the educational delivery system by:

- (1) Requesting the Board of Education (BOE) to undertake a two-year review of its by-laws, policies, and applicable sections of the Hawaii Revised Statutes and Hawaii Administrative Rules;
- (2) Permitting BOE to make any changes to its by-laws and policies that would assist BOE, the Department of Education, and school administrators to create a more effective educational delivery system; and
- (3) Requesting BOE to submit reports to the Legislature, including findings, any changes made to BOE's by-laws or policies, and any proposed legislation.

A concerned individual 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 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 Representative Saiki.

**SCRep. 1755 Economic Revitalization & Business on S.C.R. No. 111**

The purpose of this concurrent resolution is to protect the public and ensure the health and safety of dogs by requesting the Auditor to conduct a sunrise review of Senate Bill No. 1522, S.D. 2, H.D. 1, Regular Session of 2011, requiring the regulation of large-scale dog breeders and dog-breeding facilities, pursuant to Section 26H-6, Hawaii Revised Statutes.

The Regulated Industries Complaints Office and Professional Vocational Licensing Division of the Department of Commerce and Consumer Affairs, The Humane Society of the United States, and the Hawaiian Humane Society supported this measure.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Brower, Nishimoto, Tokioka, Marumoto and Pine.

**SCRep. 1756 Education/Culture & the Arts on S.C.R. No. 130**

The purpose of this concurrent resolution is to support arts education in Hawaii by requesting the Department of Education (DOE) to consider using the property located on Young Street, adjacent to the Honolulu Academy of Arts' Academy Art Center, as an art resource center for teachers and to establish a working group to explore the feasibility of this plan.

DOE and a concerned individual supported this measure.

As affirmed by the records of votes of the members of your Committees on Education and Culture & the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 130, S.D. 1, and recommend that it be referred to the Committee on Finance.

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

**SCRep. 1757 Education on S.C.R. No. 145**

The purpose of this concurrent resolution is to encourage policies that support student achievement by requesting the Board of Education and Department of Education (DOE) to collaborate with parent organizations to develop policies for family engagement in public schools, and to report its findings and recommendations for legislation to the Legislature.

DOE, Hawaii Education Matters, and Hui for Excellence in Education supported this measure. A concerned individual supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 145 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.